DOCUMENT RESUME

ED 138 763 CE 010 905

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|---|---|
| TITLE | Directions for a National Manpower Policy: A Report on the Proceedings of Three Regional Conferences. Special Report No. 13. |
| INSTITUTION | National Commission for Manpower Policy, Washington D.C. |
| PUB DATE | Dec 76 |
| NOTE | 169p. |
| EDRS PRICE | MF-$0.83 HC-$8.69 Plus Postage. |
| DESCRIPTORS | Conference Reports; Delivery Systems; *Employment Problems; Government Role; *Manpower Development; National Programs; *Policy Formation; *Program Planning; Regional Planning; Unemployment; *Vocational Adjustment; Vocational Education; *Youth Employment |
| IDENTIFIERS | United States |

ABSTRACT

The three conference reports summarized were prepared by the sponsors of the Regional (eastern, central, and western) Conferences on Directions for a National Manpower Policy held in September and October 1976. Each of these summaries is a separate section consisting of a summary of the conference proceedings, a summary of the speeches and papers presented at the conference, any comments submitted by conference participants, a list of the discussion questions used at the conference, and a list of the conference participants. Each of the summaries focuses on the same broad themes--Employment Problems of Youth: Improving the Transition from School to Work; Manpower Programs and Services: Infrastructure and Delivery; and Issues and Elements in the Design of a National Manpower Policy. (WI)

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## Directions for a National Manpower Policy:

# A Report on the Proceedings of Three Regional Conferences

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A Special Report of the
National Commission for Manpower Policy
Special Report No. 13
December 1976

1522 K Street, N.W., Suite 300
Washington, D.C. 20005



CE 010 905

## A NOTE ON THE ORGANIZATION OF THIS REPORT

This Special Report of the National Commission for Manpower Policy contains three reports prepared by the sponsors of the Regional Conferences on Directions for a National Manpower Policy held in September and October 1976. Each of these summaries is a separate section in this report consisting of a summary of the conference proceedings, a summary of the speeches and papers presented at the conference, any comments submitted by conference participants, a list of the discussion questions used at the conference, and a list of the conference participants. The summary reports were written pursuant to contracts with the National Commission for Manpower Policy, Washington, D.C., 20005. The opinions expressed are those of the authors and should not be construed as representing the opinions or policy of the Commission or any other agency of the United States Government.

In Directions for a National Manpower Policy: A Collection of Policy Papers Prepared for Three Regional Conferences, NCMP Special Report No. 14, December 1976 the full text of the background papers and selected speeches delivered at the three Regional Conferences is available.

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# FOREWORD

The Commission has from the beginning of its activities sought to broaden its reach by coming into closer contact with key groups that have an interest in and can contribute to the formulation of manpower programs and policies. As the Commission approached the preparation of its Second Annual Report to the President and the Congress in the fall of 1976 it made a special effort to broaden and deepen its contacts with interested persons throughout the country that had the potential of sharpening its insights and recommendations. Accordingly, it arranged through intermediaries for three regional conferences to be attended by representatives of business, labor, community based organizations, academicians, and the deliverers of manpower services where Commission members and staff would have the opportunity to interact with the attendees who would be in a position to bring new perspectives to its work.

The first of the three regional conferences was held in Atlanta on September 22-24, 1976. It was sponsored by MDC, Inc. of Chapel Hill, North Carolina.

The second conference was held in St. Louis on October 6-8, 1976. The sponsor was the Human Resources Program of the University of Missouri in Columbia, Missouri.

The third regional conference, held in San Francisco, California on October 13-15, 1976, was sponsored by the Employment Studies Program of San Francisco State University in San Francisco, California.

The sponsor of each regional conference had the major responsibility for organizing and conducting the two-and-one-half day sessions involving approximately 100-125 individuals drawn from as many as 21 states. Each was responsible for developing the specific agenda built around the three general themes stipulated by the Commission:

a) "The Issues and Elements in the Design of a National Manpower Policy;"

b) "Employment Problems of Youth: Improving the Transition from School to Work;"

c) "Manpower Programs and Services: Infrastructure and Delivery."

The papers prepared for and selected speeches delivered at these three conferences are contained in: Directions for a National Manpower Policy: A Collection of Policy Papers Prepared for Three Regional Conferences, NCMP Special Report No. 14, December 1976.

This publication presents in summary form the discussions and conclusions of each conference as prepared by the sponsoring agency. With the focus on the same broad themes, it is not surprising that certain common notes were sounded, even if they used different scales. The remainder of this Foreword is directed to calling attention to them. Among the major points of consensus were the following:

- The need for the U.S. to establish a national manpower policy; to specify interim and long-term goals; and to monitor the progress it was making toward accomplishing them.

- A recognition that manpower policy should go beyond exclusive attention on the competitively disadvantaged. There was not, however, consensus on the drawing of effective boundaries as to where manpower ended and other policy arenas began, such as economic, education, welfare.

- An affirmation of the critical importance of "full employment" in manpower policy, recognizing the sizable difficulties involved in defining it in operational terms with targets that could be achieved without exposing the community to insupportable risks in pursuing it.

- The perception that manpower policy could in no way be expected by itself to compensate for a gross deficiency in employment opportunities. This clearly was the responsibility of macro-economic policy. At the same time it was broadly recognized that the real challenge facing the nation was to develop more efective mechanisms for dovetailing and coordinating macro-economic and manpower policies.

- The labor market problems of youth, particularly those from low-income families belonging to minority groups, would not be significantly relieved in the opinion of most conferees by a substantial expansion of the economy. Many of these young people would still be at the end of the queue. Emphasis was placed on the need for improved transition mechanisms from school to work which would involve the active participation of industry and labor in such local efforts; and in targeted training and employment programs directed toward unemployed youth with limited skills and poor linkages into the job market.

- The need to improve and increase information on the composition of the labor force, the functioning of the labor market, and future occupational and industrial demands.

- The heavy representation from among persons engaged in the delivery of manpower services set the stage for lively interchanges about the effectiveness of the Comprehensive Employment and Training Act with its emphasis on decategorization and decentralization. The dominant expression was in favor of the extant system but many called attention to desirable ways of strengthening it.

The materials that follow provide a much fuller and richer insight into the critical and constructive recommendations that emerged from the discussions among deeply engaged persons. As is so frequently the case in the manpower realm a greater participation from business and labor, eagerly sought by the conference planners, would have been desirable. As it was, the few representative from these sectors had to carry a disproportionate load.

Finally, it is my pleasant duty to acknowledge the financial assistance that the Commission received from the Carnegie Corporation and the Employment and Training Administration of the U.S. Department of Labor toward underwriting these conferences. The sponsoring organizations and their hard working staffs alone turned the Commission's

idea into a reality. And the participants, each and every one, have earned the gratitude of the Commission for their concerned participation.

The Commission knows that much of what is contained in its Second Annual Report to the President and the Congress derives from these conferences and the Commission hopes that the participants will find, after reviewing that report, that their efforts led to a constructive outcome.

ELI GINZBERG
Chairman

# 1. PROCEEDINGS OF THE EASTERN REGIONAL CONFERENCE ON: DIRECTIONS FOR A NATIONAL MANPOWER POLICY

Sponsored By

MDC, Inc.
Chapel Hill, North Carolina

Atlanta, Georgia
September 22-24, 1976

Prepared By: George B. Autry
R. C. Smith

# I. THE CONFERENCE: INTRODUCTION

The report that follows is an attempt to capture the lively spirit as well as the considerable letter of the proceedings of the Eastern Regional Conference on Directions for a National Manpower Policy, held in Atlanta September 22-24.

The conference was the first of three held across the country on behalf of the National Commission for Manpower Policy. It was sponsored by MDC, Inc., of Chapel Hill, North Carolina. In attendance were more than one hundred invited participants and a handful of observers. The group drew from virtually every segment of professional and lay involvement in the manpower process.

The conference had as its overall theme questions surrounding the development of a national manpower policy. Two other complementary themes were explored as well: first, the transition of youth from school to work, and, second, issues in the delivery of manpower services. For this first conference, the Commission asked MDC to place a slight emphasis on the youth issue, which thus received major attention in the papers written for the conference.

These papers were three. Donald M. Clark of the National Association for Industry-Education Cooperation, Buffalo, New York, wrote on ways and means of involving the private sector more successfully in hiring youth. Lamond Godwin of the National Rural Center, Atlanta, Georgia, dealt with comprehensive solutions to youth unemployment. William J. Spring of the Regional Institute on Employment, Training, and Labor Market Policy, Boston University, Boston, Massachusetts, wrote on bridge jobs moving youth from unemployment status to participation in the primary labor market.

There were four talks. The opening plenary session featured a gracious welcome from Dr. Eli Ginzberg, chairman of the Commission, raising some fresh and thorny issues for discussion. Breakfast the next morning was enlivened by a preview of the first Ford-Carter debate -- and some apt remarks on the state of the art of manpower and the status of youth -- by Sar Levitan, director of the Center for Social Policy Studies, George Washington University, Washington, D. C. That night brought a challenging call for national programming to solve the youth unemployment problem from Representative Andrew Young (Democrat-Georgia). Lunch on the conference's final day featured observations by Marion W. Pines of the Mayor's Office of Manpower Resources, Baltimore, Maryland, on how the "feds" (as state and local practitioner participants consistently referred to federal manpower professionals functioning at the national and regional levels) can help local prime sponsors without threatening the process of decentralization.

The three papers commissioned by MDC, other papers made available by the Commission, and the speeches all served as background for the workshops, in which the major work of the conference was done. Participants were divided into five workshop groups, with a discussion leader, resource person, and reporter assigned to each group. The groups then dealt in turn with the three themes, proceeding from "youth" to "service delivery" to "policy" in that order. At the conclusion of each workshop, reporters prepared summaries which were distributed to conference participants before their next workshop. This process enabled the individual groups to review their own findings, to see how other groups were doing, and to undertake any reconsideration called for. The conference ended with a plenary session in which participants had an opportunity for overall review, criticism, and final consideration.

This report contains five sections and an appendix. In addition to this introductory section there are individual sections which summarize and then provide contextual commentary on each of the three themes. In addition, there is an overall conference summary with additional commentary.

The appendix includes the three papers commissioned by MDC plus a fourth paper volunteered by a participant developing a private sector viewpoint the sponsors consider germane to the proceedings. The appendix also contains summaries of the speeches, a list of the conference participants, and the discussion agenda outlines.

# II. EMPLOYMENT PROBLEMS OF YOUTH: IMPROVING THE TRANSITION FROM SCHOOL TO WORK

## A. Summary

A workshop consensus emerged that a national priority should be established to employ unemployed youth and -- here the emphasis was equally keen -- to mount a preventive attack on problems of school-age youth that tend to lead to dislocation from the labor force.

The statistics buttressing this need were volunteered by one group. Some 2.9 million dropouts between the ages of 16 and 21 leave school annually, with 39 per cent of this group not entering the labor force at all. Even excluding the group not in the labor force, the total number of dropouts plus high school graduates reported unemployed coming from a typical recent school year -- 1972 -- was just under one million.

Recommendations for these unemployed youth included one group's proposal for a public program creating approximately 700,000 year-round jobs, with additional slots for the summer. The primary target in the unemployed group was identified as 450,000 "long-time" unemployed youth.

But while there was general agreement that more jobs should be created for youth there was something short of consensus on means of creating these jobs. In an address Thursday night Representative Andrew Young (Democrat-Georgia) called for a Youth Service Corps, initially to be voluntary, but after five years to be compulsory if it proves out. Youth in the corps would learn discipline and do "real work" -- for instance, rebuilding the inner cities, improving the rural environment, and serving as medical paraprofessionals.

Some sentiment for this or similar national measures came from the workshops, but there was a hesitation on the part of these practitioner-dominated groups to recommend national, categorical legislation without reservations. There were cautions against displacement of older workers whenever massive-sounding youth programs were urged. There was, as well, a considerable body of discussion on ways of involving the private sector more effectively -- including suggestions for tax incentives; consolidation of federal compliance requirements (Equal Employment Opportunity Commission, Occupational Health and Safety Act, etc.); and changing CETA regulations to allow use of On-the-Job-Training funds for upgrading workers so that they might move up the ladder, opening slots

for youth below them. There was also a suggestion of involving the private sector in work experience and job exposure programs by amending CETA restrictions against using funds for this purpose.

While problems of unemployed youth preoccupied the workshop participants, at least as much time was spent discussing the concomitant problems presented by youth presently in school and faced with exposure to an unfriendly labor market for which they are largely unprepared. There was some consensus across the workshop groups that the "youth problem" should be "de-manpowerized" in the sense that it should cease to be considered for solution as a categorical CETA program. At the same time, another workshop group noted, "manpower policy should recognize a role in secondary education not limited to economically disadvantaged high school youth."

This role was seen variously by the workshops as involving tie-ins of year-round educational, vocational, and social experience and the generation of effective career education and counseling from junior high school through post high school. One group suggested that courses on the labor market, providing information on local and national conditions, should be mandatory for high school students. Another group approved continued experiments in the "extended school" system through which youth are permitted to work and to continue to school at night.

Another group included in its model for a youth services policy an endorsement of "(1) subsidies to the private sector to promote training and placement, (2) elimination of unreasonable 'credentials' for hiring, (3) creation of school-based placement services, and (4) training for 'real skills.'"

In another group session, a discussion took place on the possibility of re-defining "work" and "jobs" in less traditionally structured ways. The group expressed an interest in shifting emphasis from productive output as it is presently understood to concentration on art, music, crafts, and in broadening the work-oriented goals of youth programming to include the notion of youth moving from "dependency to self-sufficiency."

## B. Context and Commentary

"Why are so many young people getting a bad deal, and how can we do better?" Dr. Eli Ginzberg put it in the form of a question to the participants in his welcoming speech Wednesday night -- blunt, simple, an invitation to discuss, debate, elaborate.

Sar Levitan took up the cudgel lightly in his breakfast talk the next morning. He chose to accentuate the positive. "It is said that young people are getting a bad shake in our country, but spending over $3 billion on the GI bill and other programs for them is not doing badly."

For all of that, the conference treated youth unemployment as a worsening problem for which no clear solutions are in sight. Attitudes generally reflected poor opinions of performance of education in preparing youth for the world of work. High school counselors -- "teachers who struck out," as one group styled them -- came in for particular criticism. Career education seemed to most to provide alternatives. But another of Dr. Ginzberg's questions, this one dealing with the philosophical bases of education and work, slipped through the cracks and was never dealt with: "If youngsters lack basic competencies to read and to compute, how can we build basic skills on top of a base lacking underlying learning skills?"

The workshops took faintly different approaches to defining in age the parameters of youth employment. Most agreed, however, that youths at 15 - 16 are less serious about work than those of 18 - 19. They may have had in mind the 16-year-old clothing store clerk quoted in Spring's paper as saying: "I don't need much money, just enough to buy a good used motorcycle..."

One group spent time carefully defining the problem, coming up with an extensive laundry list:

"1. an aggregate shortage of public and private jobs,

2. lack of interaction by agencies dealing with various elements of the problem,

3. isolation of the world of work from education,

4. inadequacy of available job information,

5. geographic mismatches between people and jobs,

6. lack of preparation for the job market,

7. heterogeneity of the youth population (different problems),

8. reluctance of employers to hire persons under 20 years of age,

9. availability of out-of-work older prime wage earners,

10. limited mix of jobs traditionally available to youth,

11. indecisiveness about job choices within this age group,

12. limiting influence of federal regulations, i.e., no private-sector work experience."

Interestingly, reporters' notes do not indicate a single instance of usage of the once frequently heard canard that "kids just don't want to work..." Levitan put aside that "old wives' tale" with figures indicating that 73 per cent of 18 - 19 year old males are in the labor force and that female participation is increasing rapidly.

In the labor force, maybe; working, often no. Every available statistic indicates that there are many youths out there, either directly looking for work or discouraged from looking for work.

For these jobs the workshop groups turned a broad beam of attention on the private sector. Hugh Gordon of Lockheed-Georgia Company, Marietta, Georgia, whose statement on private sector involvement appears in the appendix to this report, felt that the private sector was under-represented at the conference. While private sector participation in the conference was difficult to secure, each of the workshop groups had at least one such representative and most made their opinions felt.

But while there was a considerable dialogue between private sector representatives and the manpower-oriented group it was difficult to find instances where the debate was truly joined. Gordon, for instance, argued that youth and other programs under CETA were not being funded based on results, pointing to statistics showing a drop in private-sector OJT activity from 22 per cent of MDTA enrollment in FY 1974 to 8 per cent of CETA enrollment in FY 1975. In other workshops manpower practitioners complained with equal heat that the private sector simply wasn't providing the needed jobs.

In the debate that built up across the workshop lines here, reporters were intrigued with the groupings. On the one hand, both industry and labor representatives were often in "sweetheart" agreement against, on the other hand, the manpower practitioners. "Industry and labor can agree on one thing, and that's private enterprise," one observer noted.

There was evidence, however, that manpower professionals locally and federally felt this lack of private sector involvement

keenly. They tended to pin the blame on restrictive elements of CETA regulations which constrain manpower efforts with the private sector. CETA "regs," for instance, state unequivocally: "Work experience in the private for-profit sector is prohibited." It was in this atmosphere that suggestions for making CETA more responsive to needs of youth for work experience and on-the-job training in private industry, and the proposal to use some CETA funds for upgrading, were delivered.

It was easy to sense frustration, though, from workshop to workshop on the subject of private sector involvement. One private sector spokesman, for instance, complained that other federal regulations such as applied under EEOC and OSHA are even more inhibitive than CETA and would have to be changed before the private sector would participate to any significant extent. There was sentiment for centralizing all these federal compliance monitoring initiatives.

But what do we do now? In various guises, the notion of the industry-education council was advanced to bring education and industry together, in Donald M. Clark's phrase, "at the critical interchange between education and work." Clark was looking for "a district-wide mechanism linking both sectors...broadening the base of support for youth employment oriented programs." It was this process that participants found missing under CETA. Indeed, some, like Lois Blume of New York, professor of urban affairs, New School for Social Research, considered that CETA had constituted a retreat in this area, with the educational system being the biggest loser. All this suggested tighter alliances, closer coordination between the people with the jobs and the "educators for work..."

Other problems in the "critical interchange" area surfaced. There was consensus that labor market information is scanty and that often information available does not get in the right hands. Howard Rosen of the Employment and Training Administration's Office of Research and Development noted that a recent report on ghetto youth suggested that young blacks depend more upon formal advertisements of job openings than do whites. In Rosen's group was Lamond Godwin of the National Rural Center, whose paper for the conference stressed the relative helplessness of rural youth -- and particularly rural black youth -- as a result of poor distribution of information. This is the group that recommended that courses imparting labor market information be required at the high school level.

Generally speaking, manpower programs presently involving youth received short shrift, the inevitable result, possibly, of the sense of overall inadequacy to meet youth employment needs.

But some few "models" did emerge. Glen K. Cole, of AFL-CIO's Human Resources Institute, Birmingham, Alabama, reported a 70 per cent retention rate of youth entering his organization's apprenticeship programs. Michael Latta, of the State Advisory Council on Vocational Education in Raleigh, North Carolina, spoke eloquently to the effectiveness of that state's "extended day" program through which youth are helped to learn and work at the same time.

Still, there were all those unemployed youth. If there was a single overwhelming consensus across the workshops it was that work or work experience of some kind must be created for them. The public sector took its knocks here and there for failures or limitations real or imagined, but there was a preponderant opinion that new initiatives in this area are needed. Suggestions ranged down from the recommendation of one group to provide 700,000 year-round transitional public service employment slots for youth, with additional slots for summer employment.

By far the most dramatic suggestion, however, was that posed by Representative Young in his Thursday dinner talk. He spoke compellingly of the waste of human resources involved in idling youth "by government policy." He lamented the passing of the military draft..."because every young black person who didn't go to college immediately -- and there were not many who could afford to go immediately -- went to the Army, and the Army was the training ground that gave them three years of discipline, time to settle down, travel... it was kind of the puberty rites of young males in America..."

To take the place of this process, and to help absorb the nation's unemployed youth, Representative Young recommended "a universal youth service going beyond ACTION and Peace Corps but using health, manpower...civilian conservation, para-medical projects, all of the things society needs..."

If Representative Young's talk had come before rather than after the youth workshops, it might have sparked more direct comment. Still, there was talk about it Friday in the hotel corridors, at breakfast, and even in the workshops. An 18-month national program for <u>all</u> youth -- middle and upper-class whites as well as the poor -- and a program that could become "universal" (that is to say involuntary) after five years -- such a program is not likely to be accepted readily and easily everywhere it is broached. Manpower practitioners committed to state and local programming saw it as another evasion of the promise of decentralization. Along with support for the boldness of the plan went criticism of its breadth and "inflexibility" as well as other questions. "What happens afterwards?" one participant seemed to be asking himself. "Are there jobs at the end of that line?" The lines of battle seemed to fall generally between the "categorizers" -- industry, labor, community action groups and others -- and the "decentralizers," generally the state and local manpower program operators.

One final train of thought made itself felt through the workshops, the nearest thing to a "philosophical" discussion arising. A number of participants felt and said that "jobs" as such, as they are known generally, may not be the answer for youth. This thought was expressed in one group in terms of the need to create a "step-ladder" approach which would begin with early job exploration efforts and move on to subsidized employment for those who need it, and then on to advanced training and jobs. Education would be a part of the entire process, the group indicated.

Another group challenged the entire concept of "work" and "jobs" as they are known now. In this group urban area program operators contended that youth themselves are re-defining the traditional meaning of work in terms of art, music and creative crafts. Members of this group felt that employment problems of youth needed to be discussed more in terms of "life-direction" than of specific jobs -- "life direction...leading to self-sufficiency and independence." An ensuing discussion led the group to conclude that "coping skills" might be a better term to describe what youths need that the adult world of work training can supply.

# III. MANPOWER PROGRAMS AND SERVICES: INFRASTRUCTURE AND DELIVERY

## A. Summary

The workshop groups generally saw a "national manpower delivery system" in conformity with the lines of authority of present CETA, with, as one group reported, "continued emphasis on decentralization of planning and program authority to state and local prime sponsors."

This consensus did not rule out the use of federal categorical emphasis on special target groups (e.g., migrants), but wherever this issue was raised there were some areas of dissent in the groups. One group compromised its differences by recommending that whenever such special categorical emphasis is mandated, supplementary funds should issue from the federal level.

And while the bare bones of a national delivery system were those of present CETA, there was general agreement that measures should be taken to promote inter-agency cooperation at the service delivery level through coordination at the top. Here, a theme of national policy was introduced. One group called for "cabinet level directives" to achieve this coordination. Another called bluntly for national legislation -- similar in effect to CETA at state and local levels -- to unite agencies responsible for manpower-related services. Only in this way, it was argued, could a service delivery system be comprehensive.

The call for more technical assistance to prime sponsors focused on the development of more active, knowledgeable state and local planning councils. But here the workshop groups almost unanimously imposed a caveat: The federal technical assistance effort should be clearly separated from the federal role in monitoring and evaluating CETA performance. This was, one group noted, so that the same individual would not be forced to try to serve as "teacher and policeman."

Evaluation, itself, came in for some comment. Four of the five workshops in unrelated discussions came down hard against the use of "cost per placement" as the sole measure of program effectiveness. They took the position that local and state programs are too diverse in purpose to lend themselves to so facile a criterion for success. In one group a lively discussion arose around the possibility of an effort by prime sponsors to develop their own program objectives and criteria for measurement.

Emphasis was placed in several workshop groups on the development of improved labor market information to inform program design and mix at the local and state levels. One workshop called for a major program to be funded in labor market data collection, with the work to be done by the Bureau of Labor Statistics and the Employment Service.

Finally, two groups dug into the question of the appropriate criteria for prime sponsor jurisdictional designation. They argued independently but similarly that the present political criterion of 100,000 population should be dropped and replaced by "local labor market" designation, thus reducing the number of sponsors and cutting down on duplication of services.

There was no real agreement, however, on the extent to which duplication of services is necessarily undesirable. Some participants argued that in certain cases duplication of services is efficient and consolidation undesirable.

## B. Context and Commentary

One message was inescapable: "Quit tinkering, stop messing around, don't hassle us unless you really can help us."

This was the word from the manpower practitioners, the program people, to the "feds." Marion Pines of Baltimore put it plainly and clearly in her Friday luncheon talk. "Don't tell us to involve the private sector in CETA programs unless the federal government provides a realistic incentive to stimulate this involvement... don't demand an end to duplication of effort which community dynamics makes inescapable..." Whatever else you do -- so the message ran through the service delivery workshops -- give CETA time to work.

Behind this message, implicit in some comment but explicit in Pines' speech, was something akin to what Sar Levitan was getting at. CETA is working here and there, in small places and large, and generally, if not always, through the local initiative that it has spawned.

It was difficult to get this group of participants to talk about a national system of manpower delivery services as a concept. Reporters for each of the five workshop groups agreed. "They want to talk about CETA, how it's working and how it's not working, and what to do about that," one reporter summed up. This constituted a failure of sorts by the lights of the conference sponsors and administrators, but possibly an instructive one.

The truth is that CETA has changed the way manpower people -- and particularly those who have to handle the money and ultimately take the risks -- think of manpower. If you talk about a national "service delivery system" you either talk about a "regression" to categorical programs -- an unthinkable alternative, framed in these terms, to most of the participants in this conference -- or you talk about "real" decategorization and "real" decentralization, which translates into finding ways to "make CETA work better..."

Interestingly enough, all of these things were discussed in the workshops... In the midst of a discussion of how to get better "coordination" in CETA delivery, William M. Eves, deputy regional administrator for the Employment and Training Administration, Department of Labor, Atlanta, had a suggestion that startled a few of the "locals" in his group... "We ought to consider going back to the old CAMPS system more or less," Eves said. He wasn't talking about "recategorization" though; he was talking about reconstituting a body whose specific duties are to pursue the intricate, day-by-day business of program service coordination. It's fashionable nowadays to sneer at CAMPS as an exercise in inter-agency spitefulness and/or indifference. But another group came to a conclusion that at least suggested agreement with what Eves was saying. This group noted that coordination and cooperation between agencies at the local level had not just failed to improve since MDTA days, but had deteriorated.

The point was recognized across the workshop groups. Somebody has to "make it happen" for coordination to take place. There has to be a structure. It's o.k. to decide that you don't mind two local agencies delivering the same services, particularly if each has its own clientele and neither has the capability to do it all; but how do you see that the best judgments in such matters are acted upon locally?

It is a hard question. The drafters of CETA might respond that state and local planning councils were written into the act for that purpose (and this response might cast a glimmer on a basic weakness of the act), but if any of the participants thought planning councils were the answer, he or she kept this thought strictly in private. Time was spent talking about helping planning councils get themselves together, by which was meant helping them plan, advise, be more helpful. Training on an ongoing basis to take account of the rapid membership turnover was suggested here. But the only group that went into this discussion in depth wavered and split over the issue of the councils' proper decision-making role. There seemed consensus that councils have and will continue to have limited power of an advisory nature, and there was little inclination to change that.

Something like CAMPS might provide the framework but what would make real coordination happen? What would make the Comprehensive Employment and Training Act comprehensive? In language more or less specific all of the groups seemed to agree that this is the federal role -- that it is perhaps the biggest, certainly the most important, piece of action available to the federal superstructure from Washington to the regional offices. Here, the word "manpower" is clearly insufficiently embracing. The workshop groups were talking about a uniting of human service delivery systems from the top down. More specifically, in one group, the suggestion was to "CETA-ize" federal legislation dealing with human services...

The process in this particular group is worth looking at more closely. The group had worked its way through the territory of fragmentation -- the failures of coordination between CETA on the one hand and, for example, economic development and vocational education on the other. Coordination clearly was a missing essential. Karen King of the National Association of Counties, Washington, D. C., pointed out that CETA is the only piece of federal legislation which requires coordination with a host of other federal programs. No others are required to coordinate with CETA. The group asked King to put her position in writing with the results below:

"Duplication will continue to exist until there is a national policy commitment to coordinate resources. CETA is the only legislation which is mandated to coordinate and not duplicate. However, CETA is not the only resource in the community: i.e., OAA, WIN, AFDC, SSA, SSI, Voc-Rehab, Voc-Ed, CSA, Wagner-Peyser, and other numerous resources...

"The SMSC has authority to review prime sponsor plans and others but no other agency is mandated in many states to submit a plan. CETA has a 30-day publication and comment period, but others are not subject to the same public forum -- Wagner-Peyser, WIN, etc.

"In addition to plan review and the open forum, the area of regulation prohibits any effective coordination efforts -- WIN clients are eligible for CETA, but not necessarily are CETA clients eligible for WIN; Unemployment Insurance claimants on extended benefits are mandated to be referred to CETA for services, but once enrolled they are terminated from UI, thus placing the financial burden on CETA which already has limited resources. This area needs to be looked at seriously in terms of freeing up the 'system' to enhance service delivery to those in need. This can only be accomplished through legislation..."

This was the sense of the recommendations of two of the other workshops. One called for similar action. "New legislation is required to improve the delivery of services." This group noted that the degree of coordination or "comprehensiveness" on the local level is directly in proportion to the degree attained at the federal level. Another group suggested "cabinet level directives to federal representatives at the federal, regional, and state levels" as a means of providing this coordination..."and more effective interaction at the prime sponsor level..." A more modest suggestion from another group called for a cooperative relationship between CETA, the Employment Service, Vocational Education, business, and labor along "lines proposed by W. Willard Wirtz." Yet another group saw more coordination coming from a broadening of the CETA prime sponsor jurisdictional lines to embrace local labor markets. A second group added this recommendation to a general call for federal-level reorganization for coordination.

If coordination was seen by most workshop groups as the special province of a federal presence, technical assistance was the contribution most often desired of DOL's regional offices. It was not entirely clear what kind of technical assistance was most needed, although two groups indicated that "staff training" was no longer a serious problem. Training for planning councils was one specific area pointed to by several groups. Job development training surfaced as a need in another group, but here the National Alliance of Businessmen was suggested as a special resource available.

Actually, the groups seemed more determined to make a point about technical assistance than to specify need within that genre. The point was simple enough, but gained weight from its appearance in totally different contexts in three of the five workshops. Again the message was from the practitioners to the "feds" -- Don't continue to try to mix technical assistance-service to prime sponsors with the compliance monitoring-evaluative roles. Don't try to be teacher and cop at the same time, or at least don't expect one individual to be both.

The "enforcement" role of the federal manpower bureaucracy came in for heated discussion from the beginning. Although notes available here do not make reference to it specifically, the target of the local practitioners' concern was recent grant review guidelines issued from Washington. James Morlock of Baltimore had worked with others on a document whose title left little doubt as to their collective view of the guidelines. "Performance Standards and the Encroaching Federal Role in Local Manpower Planning: A Case of Déjà Vu" was the title. "Quietly and quickly," the authors began,

"local planning and decision-making is being eroded, if not totally usurped, by nationally imposed 'guidelines,' policy directives, and subtle administrative decisions."

Nobody present at the conference wanted to question federal authority to raise evaluative standards for grant review...no secessionist or "state-and-local rights" movement seemed in the offing. Instead, the practitioners objected to what they considered the federal "tin ear" on performance -- putting major emphasis on "cost per placement." From group to group the argument was raised that cost-per-placement can be a dangerously misleading criterion of program effectiveness.

One group expressed the strong feeling that CETA cannot be measured exclusively in terms of placements, asking consideration to "how well performance measures up to community needs..." There was dissent in that group. The NAB representative teamed up with the two labor representatives to urge that DOL enforce job placement as a measure of program success. Nationally, one member of this group claimed, only 24 per cent of all CETA enrollees actually found jobs last year.

In another group, the anti-cost-per-placement forces engaged in a lively discussion with Seymour Brandwein of the Office of Program Evaluation. Brandwein put it to the practitioners to come up with evaluative techniques that do reflect their own standards for success. He urged them to identify program objectives for various client groups and suitable performance measures of these objectives.

Brandwein's encouragement to the local primes struck a note echoed by other participants representing the federal presence at the national and regional levels. It was clear that there is little enthusiasm in Washington for imposing "cut and dried" performance standards on the primes. What is equally clear, though, is that the pressure on manpower programs to "prove themselves" is increasing rather than slacking off. Many of the "feds" present felt that if local and state primes do not provide better evidence of their ability to set objectives and measure them in some way, this pressure will result in the imposition of measurements far more simplistic than anything advanced in the current guidelines.

Two threads that had woven through the discussions on youth problems reappeared in the service delivery workshops. The first dealt with the recurrent frustration at the ineffectiveness of involvement of the private sector in manpower. One labor representative told

his group that he had secured commitments for 300 private sector jobs in 12 states but could not find a single CETA prime sponsor willing to fund the OJT and classroom training activities required for the jobs.

The other recurring thread had to do with lack of adequate local labor market information. Several groups complained once again of their inability to get such information. One group called for funding a major program in local labor market data collection, with the work to be done by the Bureau of Labor Statistics and the Employment Service.

# IV. ISSUES AND ELEMENTS IN THE DESIGN OF A NATIONAL MANPOWER POLICY

## A. Summary

The workshop groups agreed generally that no comprehensive national manpower policy presently exists and that one is needed. The theme of policy "from the ground up" was stated explicitly by Marion Pines in her Friday afternoon speech. She argued that effective policy cannot be achieved without recognition of the local implications of implementation. Various workshop groups also touched on this point.

There was less unanimity on the subject of full employment. Two workshop groups had difficulty defining full employment and failed to issue statements on it. The majority three groups, however, agreed with the principle. One group defined full employment as "three to four per cent." Another group put the principle in language guaranteeing every American "a right of access to employment."

There was general agreement that a national manpower policy should be part of a macroeconomic policy, although differences arose in perceptions of which should be developed first. One group saw creation of a national manpower policy as a genuine stimulus for all work being done presently under the manpower rubric. "It would give a national sense of purpose to manpower," one reporter noted the group as concluding. "Having a national policy -- a purpose for manpower -- would also reallocate funds for different uses and in effect bring more dollars for manpower usage."

In this connection there was a strong thread of concern that the broader implications of "manpower" activities be perceived in the highest echelons of government planning. As one group put it: "Policy directions should be broadened to include federal departments of Agriculture, Interior, Defense, HEW, Commerce, Civil Service Commission, and others concerned with education/manpower/economic development matters. A much larger role in manpower policy development should be played by agencies outside DOL."

Some little discussion arose over using Unemployment Insurance funds to phase a worker back into employment through education. This position drew critical and supportive response from several speakers during the conference's concluding plenary session Friday afternoon.

There was consensus generally that national policy should include efforts to further involve the private sector in manpower. One group urged consideration of business tax set-aside trust funds on the European model to encourage investment in the private sector during periods of high unemployment.

## B. Context and Commentary

If the threads were to come together, they were to come together here. As one participant noted at breakfast Friday morning: "This is the session that is supposed to be about everything that has been said up to now."

To a large extent, it didn't work out that way. Confronted with the need to try to create a synthetic order out of the chaos of present reality, most workshop groups chose simply not to confront that task. Instead, they popped out ideas on policy, in many cases ideas that referred back to earlier themes sounded in the conference. In a few cases, the threads did tie together strands of consensus. In others, they were simply still there, the same colors in a different background.

The big issue was the "bottom to top" progression of manpower policy. This was not a surprising view, given the predominantly "local practitioner" makeup of conference participation. But what does it mean? The way two groups wrestled with this problem may serve as illustration of the complexity of that question. One group decided that a national manpower policy was needed. But when one member suggested that the real question for consideration should be "How do you focus national manpower policy on local planning efforts?" and went on to suggest that national policy should select special target groups -- he was shouted down by the locals. Local policy should select the target groups, the local primes averred, and national policy should be an aid to supplement local policy and service delivery.

If that is what is meant by "bottom to top" policy, the process at the top is simple "aggregation" to use Marion Pines' word. But while this group was at work, another group was struggling with the complexity of the term "policy" as it is applied to national initiatives. After some debate the group concluded that national manpower policy could only follow the development of overall economic policy. In other words, macroeconomic policy must come first. Once it is in place, manpower policy will emerge; without it, manpower policy is meaningless. Minority viewpoint within the same group held that the manpower policy ought to come first and might then stimulate the formation of national economic policy. CETA here was seen as the "tip of the manpower-economic iceberg" -- all that is visible now.

Whatever one concludes here, another disturbing question arises. If manpower policy is to proceed from the "bottom up" how will any consideration at all be taken of macroeconomic policy, whether to lead or to follow? The question lay untouched between two differing group discussions.

The issue of "full employment" posed a different sort of question for some of the groups. They could not decide on a definition. One group, according to the reporter, "tried to define it in terms of percentages, in terms of levels of employment, and as an absolute -- total employment of all adult persons who wish to work...They finally decided not to decide."

A second group, similarly plagued, reasoned that "full employment" is a meaningless term unless its attainment is really possible -- unless the jobs are there, or unless "work" is redefined. This group recommended that since various economic decisions would have to be made as part of national manpower policy, employment impact statements be issued with each such decision.

The other three groups came down in favor of full employment, but the range of their choices of definition suggested the same problems experienced by the other groups. One of the "full employment" groups defined it between three and four per cent. A second opted for "providing the opportunity to work to all desiring work." The third group attempted a more generalized and yet complete definition, declaring:

"Every American has a right of access to employment, and public policy has an affirmative obligation through a range of economic development and manpower actions to provide this right of access. Public policy, as well, has an affirmative obligation to provide equal access to the requisite developmental services to enable each American to exercise this right."

This group, incidentally, carried its more comprehensive approach over into the area of policy development, suggesting that regional, "rural-urban," and target group differences be taken into consideration in the development of a national manpower policy which "should include alternative treatments, locally applied, with the possibilities of using tax incentives, OJT, private sector stimulation, and other incentives under government-established parameters..." The group accepted, with dissent, the concept of government as employer of the last resort.

The old theme of "coordination at the top" was sounded in a couple of the policy workshops as well. One workshop gave blanket endorsement to recent federal initiatives such as the Federal Education/Work Initiative and the Federal Economic Development Initiative, designed to break down inter-agency barriers.

The discussion of the uses and abuses of Unemployment Insurance deserves elaboration. Two groups took up the subject similarly. One group recommended three changes in the present Unemployment Insurance system -- "(1) Extended benefits should be federally funded and be part of the income maintenance system of programs, (2) experiments should be conducted with jobs for the long-term unemployed rather than extending Unemployment Insurance benefits or placing recipients on welfare, (3) make Unemployment Insurance benefits taxable income."

A second group felt strongly that UI should be used to give long-term recipients the opportunity to go to school while continuing to receive benefits. In anticipation of layoff situations -- this group felt -- government policy should include emphasis on planning and carrying out a phased transition to related employment. Some group members even suggested that UI be used to cover unemployed days while individuals underwent training for job changes. It was thought that this use would be better than simply allowing people with little or no hope of re-employment to exhaust their benefits. The group recommended that the Commission study use of UI as a manpower tool.

Summary reporting of these workshop conclusions touched off discussion in the final plenary session. John D. Crosier, Division of Employment Security, Boston, Massachusetts, registered a "when is enough enough" disclaimer, a "dissent against using UI for education..." Greg Smith, of the National Manpower Institute, Washington, discussion leader of one of the groups that raised the issue, responded that the group had been trying to "relate unemployment with the training for employment..." Manfred Emmrich of the Employment Security Commission, Raleigh, North Carolina, said: "We have to be very careful that we remember what UI is for and what other programs are for." He called attention to the "every American has right of access to employment" recommendation, the more comprehensive way of dealing with this problem.

Setting aside any technical difficulties that may arise with use of funds earmarked for one purpose for another, there seemed little disagreement. Both groups were expressing frustration over the willingness of public policy to continue long-term recipients on Unemployment Insurance and, at the same time, the system's inability to train those individuals for reabsorption into the labor force.

A few old threads reappeared in the policy workshops. Private sector involvement, that constant source of frustration, was discussed once again in one workshop. Participants stressed the need to involve the private sector "at every level" in manpower. They had in mind the policy-making level particularly.

There were echoes in two workshops of Andrew Young's speech the night before. In one workshop an individual recommendation came for a youth service corps along the lines Young had suggested. Another workshop took up the issue more fully, stopping short of a recommendation but observing that any new national youth employment program should be geared for year-round rather than merely summer employment. The group went on to suggest that emphasis on "summer" youth employment be lessened. In response to questioning by Timothy Barrow, a member of the National Commission for Manpower Policy from Phoenix, Arizona, the workshop group agreed that owing to the locally-defined nature of youth labor markets, there is little to suggest the feasibility of a relocation approach to youth employment.

The issue of racial discrimination -- not a central one in the conference discussions generally -- did surface in policy discussions in one workshop. Participants in this group noted that well-entrenched policies for selecting and screening out potential employees often conflict with anti-discrimination policies. They listed some of these as seniority, merit, female-male balance and veteran preference... Priorities placed on any one of these categories can serve to frustrate the others and make discrimination by race inevitable, they argued...

The point was not fully developed. Time constraints had their way and this topic, which might have led to policy initiatives, was dropped.

## V. THE CONFERENCE: OVERALL SUMMARY AND COMMENTARY

There were, first of all, some items suitable for discussion but conspicuous by their absence.

Little attention was paid to specifically rural problems. As is so often the case, much of the discussion of youth problems, for instance, seemed to begin and end with the supposition that the youth in question were "ghetto" youth. There were exceptions but generally this was the case; one workshop group candidly disqualified itself to discuss rural aspects of the youth problem -- a disappointment particularly in a conference drawing heavily on southern participants.

Not much time was spent discussing the Employment Service. Conventionally, "discussing" ES means, in a manpower conference, berating ES. Some workshop groups had no ES representatives participating (the national Interstate Conference of Employment Security Agencies convention in Miami, Florida, conflicted with the Atlanta conference), and it is doubtful that the participants were inhibited -- these participants seemed more than ordinarily uninhibited on other matters. Another possibility is that the Employment Service is increasingly accepted as an ongoing agent of manpower services. The issue at this conference seemed to be coordinating ES services with other CETA services and the matter was discussed as though continuation of both types of services were a given.

There was little deep, philosophical cogitating. Most participants wanted to discuss practical matters. Most discussions inevitably turned to issues of the day, which is to say the "pluses" and "minuses" of present CETA. In a large conference lasting only a couple of days and involving as participants a group weighted in favor of "doers" rather than "thinkers," this is perhaps inevitable.

For each of the main themes raised and discussed, unyielding questions remained unanswered.

In the discussion of the problems of unemployed youth, one of those questions actually was articulated prior to the conference workshops and yet was never addressed. That was Dr. Ginzberg's question mentioned in the youth section of this report but worth repeating here: "If youngsters lack basic competencies to read and compute, how can we build basic skills on top of a base lacking underlying learning skills?" To this question further pursuit of the goals of career education is hardly the answer.

A big, unresolved question in the area of a national service delivery system has to do with the very nature of CETA itself and the attitudes toward that legislation reflected by the participants.

It is possible to conceive of a systematic way of delivering services across the country with planning and program decisions made at the local level. The conference opened that possibility and even made it sound exciting. But just how would it work? What would the "national" elements of such a delivery system be and how would they persist from geographic area to geographic area?

Finally, at the level of national policy, at least two questions emerge unresolved. How can a national manpower "policy" affect the lives of Americans who are chosen for services not at the national but at the state and local levels? Put another way: If you cannot identify target populations for services at the national level, is not your national policy empty, "people-less"? Secondly, how do you arrive at a workable national manpower policy in the absence -- if it really is absent -- of overall national economic policy? Or, if that overall economic policy is created first, how do you fit the perceived needs for manpower services into it? If, for instance, overall economic policy calls for holding down inflation at all costs, how do you fold into that goal the objective of full employment?

These are perhaps matters on which the Commission will have less help than it might desire from individuals so close to the day-by-day operation of the manpower machinery. But the fact that no decisions emerged on these points does not indicate that the conference failed to concur on significant areas of inquiry. It produced a pocketful of general propositions that we may safely describe as consensus -- although there were dissents noted in many instances:

. It is time to place a high national priority on year-round employment of youth in "work" which may or may not be traditionally defined and which may include continuing education and/or skills training.

. It is time as well to tie efforts in education and manpower training together so that youth in school may be assisted in transition from education alone to new situations in which work is at least partly involved. In this effort the involvement of private enterprise is essential and government encouragement to this end should be extended.

. Manpower services should continue to be planned and delivered at the state and local level, as under present CETA, but coordination at the highest levels of government is essential to assist in providing effective state and local programming.

. The major requirement of the federal government by state and local manpower practitioners is for technical assistance. For this technical assistance to be most useful, it should be divorced from the federal role of compliance monitoring and evaluation.

. While monitoring and evaluation is an accepted federal role in manpower, criteria for "success" in manpower programs should take into consideration state and local needs and goals and should not be reduced to national formularization based on "cost per placement."

. CETA is working well here and there, not so well here and there, and to an unknown degree in most places. It should be allowed a fair trial with a minimum of tinkering from above.

. A national manpower policy is essential and does not presently exist. Such a policy should be distilled from the prime sponsor experience around the country. To be effective, however, it must involve a number of federal agencies not currently identified in the manpower spectrum (Agriculture, Commerce, etc.). Coordination thus must flow from the federal level in Washington down to the prime sponsor.

. Any effective national manpower policy must also relate in some way to overall national economic policy, which also presently does not exist.

. Every American who wants a job should be guaranteed access to employment. To the extent necessary -- but only to the extent necessary -- new jobs should be provided in the public sector. Ways should be sought to amend federal legislation wherever necessary to encourage involvement of the private sector in manpower and in employment generally. Long-term recipients of Unemployment Insurance should receive education and training that can help them become re-employed.

Behind these generalizations, the conference offered considerable practical suggestions. Rep. Andrew Young's call for a youth service corps was only one of many such ideas advanced. Legislation was proposed to bring about coordination of human services from the national level down. Experiments with involving the private sector were suggested, and there was specific reference to amending CETA to this end. Concern over making the Unemployment Insurance program more responsive to the needs of the long-term unemployed was articulated.

Much solid work, then, was done. The summary reports filed during the conference itself by the group reporters reflected that fact. This final report confirms it and suggests that a great deal of value can emerge from conferences such as this one, designed to "pick the minds" of outstanding individuals involved directly or peripherally in employment and training issues.

The authors of this report feel that the results of the conference as presented in this report -- and as combined with what emerges from reports of the other two conferences -- will be useful to the Commission. Sound policy-making must begin with the perceptions of those individuals

working closely with the problem, particularly those who are working at or near the level of service delivery. The limitations of the conference in actually coming to grips with policy issues merely delimit the task for the Commission, which must begin where these conference proceedings leave off. In this task, we feel, the Commission will derive great benefit from the various and even the contradictory "truths" perceived by the participants in conferences such as this one.

# VI. SUMMARY OF CONFERENCE SPEECHES

## A. SUMMARY OF SPEECH

By

Eli Ginzberg

September 22, 1976

Eli Ginzberg set the stage for the conference by explaining that the National Commission for Manpower Policy, established to hold regular meetings with all agencies and sectors of the economy concerned with manpower problems, has now gone into the field for its three major meetings in three geographic areas. He stated that this is necessary because while legislation can be written in Washington, manpower services can only be delivered locally, and therefore there is a quality and a dimension and an understanding of what the employment and training problems look like that can only be obtained when one really goes around this large country. He pointed out that the same agenda will be discussed in all three conferences, with differing emphases. The special emphasis of this conference is youth.

Ginzberg posed three questions about youth unemployment for the participants to consider. (1) The present expenditures under CETA and youth programs run about $2 billion a year. When you consider this and the money spent on education, why are so many young people getting a bad deal, and how can we do better? He pointed out that the absentee rate in some high schools is over 50%. What are we doing as a nation, and why can't we keep the young people on the rolls? (2) How much of the youth unemployment problem and the youth problems in adjustment to work would be taken care of if we could or would or wanted to do that? (3) If youngsters lack basic competencies to read and compute, how can we build basic skills on top of a base lacking underlying learning skills?

Discussing the manpower macro-interface, he posed three more questions relating to youth. (1) If it is agreed on how far we can go on macro-policies, what can we do in tax subsidies and training to get youngsters into the private sector (where there is still an unacceptable percentage of blacks)? (2) In the South underemployment is a major problem in small towns more than elsewhere. What kind of public policy should there be with respect to mobility? (3) Major national programs like TVA helped solve some problems in certain areas in the past. But we haven't resolved most of our problems in the South. What kind of significant national problems do we need to do something about, that would also have an employment dimension?

In looking at delivery of services and what can be done, Ginzberg posed three more questions. (1) What is working well, and what not so well? What can be replicated elsewhere? For example, there is some serious training, not much, but some very good serious training going on, such as the trade union program in the Job Corps, pre-apprentice and apprentice training. (2) This is a big country, and we get a faulty perception if we look only at New York and Washington. Much of the training we see isn't good training. What kind of good training is going on in the South? What about the availability of facilities, good faculties, and services? (3) How would one ever know whether CETA is working well or poorly, or whether the Employment Service is doing its job properly, or whether vocational education is or is not doing something for somebody? The thing is so loose, the goals are so multiple, the resources are relatively small in terms of what we'd like to do that frequently it's a very subjective issue as to where one comes out and says these are very good programs or not so good.

In concluding his talk, Ginzberg pointed out that the Commission has drafted no secret draft, but is ready to listen and learn, and wants to do the best possible with the help of the conference participants.

B. SUMMARY OF SPEECH

By

Sar A. Levitan

September 23, 1976

Using the framework of questions that could be asked of a presidential candidate, Sar Levitan posed three questions that he thinks should be asked, and the answers that he thinks should honestly be given to those questions.

1. It is the consensus that social programs are a failure, that they haven't worked. Why is such negativism rampant in the country? It became politic to claim the programs don't work. Conservatives don't want to admit that programs are working, because this would imply that we need more of them, and thus more money would be spent. Liberals contend they aren't working because there aren't enough of them; not enough money is being spent; the amount is only token; we need more. The person who criticizes most profits: He becomes an ambassador to India, then to the United Nations. Criticizing pays off.

Being more specific, he stated that one starts with a base at the beginning of the Great Society programs: There were 36 million poor people then, and in 1969 there were 24 million. Poverty was reduced by one third. But this happened because of a tight labor market, and social programs paid off. Between 1969 and 1974, however, poverty figures have not changed. But during that time we have had an expansion of the food stamp program, of housing subsidies, of other social programs; and the best year for expansion was not under Kennedy or Johnson, but under Nixon. The Census doesn't count the diversity of services as income, and that's why the Census count shows poverty hasn't been reduced.

Being even more specific about the negativism that has developed, he stated that if candidates keep announcing how bad it is from the White House and Plains, Georgia, negativism is bound to develop. Taking the Social Security system as an example, he pointed out that 32 million people are now supported by it, the old, the disabled, children, etc. We hear that it is bankrupted and collapsing. What we should be hearing is that under Johnson, Nixon,

and Ford the system was expanded, and people received increases in their benefits. There was an effort to catch up with the deficit; the system had been too niggardly in its support; the attempt was made to bring the aged up to the poverty level. In effect, we have taken a little from this generation to pay more and catch up, but the Social Security system doesn't have to keep expanding. What is used in talking about it are scare tactics. It is said that by the year 2025 the system won't have enough to support the recipients. But what is true is that we now have an average of 2.2 children to support instead of the former 3.3, and we're giving a little more to the aged. We have developed a system of helping those in need, starting 41 years ago -- Social Security for the aged, the orphaned, the disabled; support for public assistance, reduction of poverty and deprivation. Instead of being proud, we're knocking it down.

2. How about unemployment? We have 6% inflation coupled with 7.9% unemployment. Can't we reduce that below 7.9% without increasing inflation? There is no reason to believe that we can't adjust back to 4 1/2% unemployment in certain segments of the labor force without too much increase in inflation. The Humphrey-Hawkins bill in its present form contains excessive promises, and we should not rush into it. But what is the most important problem as far as unemployment is concerned is the youth unemployment. The statement that young people don't want to work today is an old wives' tale. Their labor force participation after World War II was down for good reasons. Proportionately more went to school, and this is true today also. But their labor force participation is increasing also: 73% of males 18-19 years old are now in the labor force. For females the proportion is higher than ever. Can we cope with the 1.8 million teenagers who are unemployed? Yes, but the Census has to learn to count the labor force in a different way from the way it counted in the Thirties. Has the teenager looked for a job? If so, he's counted as unemployed, regardless of what he's doing. Today his mother probably works; she didn't in the Thirties. Instead of saying he's unemployed (when he may not need to work), he should be counted as going to school or doing other useful things or things he wants to do. There is an income supplement by the mother; thus to count teenagers as unemployed is a misrepresentation. We still have a problem, but it is a manageable one. The problem is in the ghetto areas, where teenagers are out of school and not working. There are 450,000 long-term unemployed teenagers. With the expenditure of $2 billion we can absorb them. We need to spend this on programs to bring them up to high skill levels, to expand community based organizations to serve minority youth. Instead of giving the money to cities and states, we should give it to companies to create jobs. In addition, school failures need attention. The Job Corps would absorb many of these teenagers at an average cost of $6,000-$7,000.

We have to create jobs for youth; the best way to reduce unemployment is to create jobs.

Ginzberg has said that young people are getting a bad shake in our society. But spending over $3 billion on the GI bill and other programs for them is not doing badly. And the ESEA is paying off; black kids are reading better.

3. Did we have to face the high unemployment of the past two years? No. The Administration should have followed Congress two years ago and created jobs. We could have speeded up the recovery. If programs had been enacted, they would have provided a million jobs and not created inflation.

C. SUMMARY OF SPEECH

By

Andrew Young

September 23, 1976

Representative Andrew Young began his speech with a strong statement that unemployment is the result of government policy. He stated that it was government policy that created a soil bank, paid people not to grow food and fiber, drove young people off farms and to the north and cities, and created a cadre of unemployed in our society. He maintained that we as people are now responsible for reversing the policies that do away with jobs and define jobs and training in ways that leave out large numbers of people. The challenge, he stated, is not jobs for the jobless because it is the humanitarian thing to do, not doing something for somebody else; but doing something for yourself, for the survival of things you hold dear.

He questioned also the approach to manpower training that assumes we are doing something to help young people who are lazy or failures, contending that they are failures because of the failure of the society to work for everybody. He pointed out that Roger Wilkins stated in the New York Times that the problems of dealing with this generation of unemployed young people may be more difficult than the integration of slaves into the economy following the Civil War, because slaves were, in fact, a part of the economy then; and we now have a cadre of people who are creating a life style and an economy all their own, because ours has failed them. They are providing themselves better hustles than our society has been able to provide in jobs. They have, in fact, created a counter-economy, which, though illegal, allows them to participate in the values they hold dear and that they see us holding dear.

Basically, he stated, all we talk about is profit, the end result; we seldom make corporate decisions on the basis of community values or morals. Giving the example of a department store executive afraid to calculate losses from shoplifting, and just writing off the loss, he stated that people don't like to think about the cost the economy is absorbing for having locked out large numbers of people. And the people locked out are cynical because we have given them no productive alternative.

Turning to a discussion of the economy that produces unemployment, he said that we have an economy functioning at about 70% in a world that is desperately in need, and in which anything we produce can be consumed. The whole international economic system is one which we as a nation have still not begun to think about. And not really being a part of the real world, we are suffering.

He contended, further, that the budget deficit is a direct result not of government spending or inflation, but of underutilization of our economic capacities, both technical and human. We are not going to be able to deal with any of the problems until we realize we are being hurt, and that we are not going to be able to deal with inflation until we actually have everybody working. For as long as unemployment carries with it all forms of compensation, food stamps, Medicaid and Medicare, the people who are working are paying a larger and larger share of their money to carry people who are not employed. He said that as many as a hundred million people suffer indirectly or directly as a result of some 25 million being unemployed.

Turning to the problem of youth unemployment, he stated that in a society as enormous and complex as ours, there needs to be some institution that frankly takes up where the public schools leave off, and creates the values, the discipline, the sense of direction, and the skills training that a person needs to leave childhood and become a self-sufficient member of society. He proposed a universal youth training program, going beyond the concepts of ACTION and the Peace Corps, and putting young people to work in health, juvenile delinquency, civilian conservation, para-medical, and other needed projects, and giving them good physical training as well. He felt that creating a youth service would solve part of the problem of youth unemployment by taking young people out of the workforce for a period of time, and that it would also inculcate certain basic values and dedication to the nation. He would want it to be something special, not involving training to kill or with weapons, but good physical, mental, and job training. He would want it to make young people look like our Olympians when they go across the seas to represent the country, a corps which would give people pride and make them look forward to the year of service to their country, cutting across the cynicism and materialism of our society and challenging young people.

Speaking of the manpower programs now in process in Congress, he stated that we're doing a pretty fair job, but that this is just the beginning. As long as we think of full employment in a piecemeal approach, we are kidding ourselves. There is something fundamentally missing in the way the economy is presently organized and in the

educational systems of our cities. We have to undo several decades of government policy which has contributed to people being unemployed and unemployable, and find a way to make young and old alike a contributing part of the nation.

In conclusion, he stated that the time to influence political candidates is before they are elected, and he suggested that it is time to escalate the debate on unemployment by getting away from economic theories and beginning to deal with how much we can utilize the resources of this society for good, or how much of a drag and lag on our taxes we want to support. He stated that when you put it that way, he thinks we can find a way to find every American a job and make every American a contributing citizen.

D. SUMMARY OF SPEECH

By

Marion W. Pines

September 24, 1976

Ms. Pines prefaced her remarks by explaining she wanted to differentiate the roles that should be played in the CETA system by prime sponsors and federal administrators.

It is wrong, she said, to try to set federal or national policy without recognizing "local implications." Thus it becomes hopeless to mandate specific action by operators at the local level without also providing the means to do what has been mandated -- e.g., "Don't tell us to involve the private sector in CETA programs" unless the federal government provides a realistic incentive to stimulate private involvement -- don't demand an end to duplication of effort which "community dynamics" make inescapable; it is not necessarily a bad thing to have the ES and some other agency doing somewhat similar things.

To be sure that national policy recognizes local constraints, the bases for such policy should be derived from the bottom-up, not the top-down. There are ways to do this and still see that national aspirations or goals are met. If national policy makers feel that some group deserves priority attention that local program planners aren't providing, direct that service be provided but don't demand that it be done at the expense of problems the locals consider more important -- send money as well as orders for action.

The justification for letting decentralization work is, according to Ms. Pines, that it is beginning to be productive, and it can only become more productive if locals are given time to work through their own problems -- quit tinkering with the machinery; if you want results, there must be "continuity of effort."

She cited a series of projects that have come about in Baltimore through sustained effort: e.g., an "alternate school," add-ons to LEAA programs, changes in the correctional system.

Ms. Pines noted these were genuine successes. She added that they said something important about evaluation; that is, "numbers" often are not the telling criteria on which to judge a program. Often, "the process" set in motion by a program is just as important or more important.

Thus even before the Baltimore alternate school began involving students by the hundreds (as it does now), it represented a major success. It involved the linking up of CETA and the public school system...a linkage which produced the later LEAA program as well as expansion of the alternate school operation.

Manpower or whatever this miserable business is called these days "isn't telling its story," Ms. Pines declared. It must do better. It must also be careful to give credit where credit is due -- i.e., give local pols their brownie points. Otherwise the "horror stories" will shape the views of programs and the inevitable remedial legislation.

This above all, though, (according to Pines) stay clear of the old centralized, categorical morass... Maintain flexibility and independence at the local level and the desert will bloom. "Standardized products can't be mandated without destroying interest at the local level."

## VII. DISCUSSION THEMES AND ISSUES

### A. Employment Problems of Youth: Improving the Transition from School to Work

What Is The Problem?

Question #1. What is the nature of youth employment problems presently?

What is Being Done About the Problem Now?

Question #2. How do youth manpower programs generally respond now to what they perceive as youth manpower problems?

How Does What Is Being Done Fall Short Of What Is Needed?

Question #3. Is there a gap between the youth employment problems as perceived here and the present "treatment" offered by manpower programs?

Question #4. To what extent does the problem here relate to policy decisions greatly expanding the labor market for youth?

Question #5. What type jobs are required to meet the present youth unemployment situation?

What Should Be Done?

Question #6. What can be done to make it possible for more youth to be employed in the private sector?

Question #7. Must we create specific programs in the public sector to employ youth in order to provide a sufficient number of jobs?

Question #8. Do the previous analyses suggest policy and program changes in treating the problems of youth unemployment?

Question #9. Can the ideas presented in this workshop be framed in terms of policy?
If so, describe the policy or policies suggested.
If not, summarize the major ideas emerging.

B. Manpower Programs and Services: Infrastructure and Delivery

What Is The Problem?

Question #1. What are the implications for a comprehensive manpower delivery system of the results of the Youth Employment worshop?

What Is Being Done, And How Does This Fall Short Of What Is Needed?

Question #2. To what extent is manpower program decategorization and decentralization consistent with the delivery needs of youth and adults?

Question #3. Is planning for the current delivery system adequate?

Question #4. Are personnel involved in the delivery of manpower services currently capable of doing and trained to do the jobs they are asked to do?

Question #5. To what extent are duplication of services and/or fragmentation of effort problems in the current delivery of manpower services?

Question #6. What is the present relationship between manpower programs and economic development programs?

Question #7. What is the role of assessment and evaluation of manpower programs currently?

What Should Be Done?

Question #8. Can the ideas presented in this workshop be framed in terms of a national manpower delivery system?
If so, summarize the major ideas emerging.

C. Issues and Elements in the Design of a National Manpower Policy

What Is The Issue?

Question #1. Is there a need for a national manpower policy based on conclusions you have drawn from this conference so far?

What Is Being Done, What Might Be Done?

Question #2. Would a commitment to "full employment" as an agreed major economic goal make development of a national manpower policy mandatory?

Question #3. What kinds of economic decisions would have to be faced as a result of a commitment to "full employment?"

Question #4. What roles would such a decision suggest for the private sector?

Question #5. What roles would such a decision suggest for the public sector?

Question #6. What can be said within the framework of national manpower policy about equal rights and job opportunities for racial minorities and women? For youth?

Question #7. Who would be responsible for developing a national manpower policy?

What Should Be Done?

Question #8. Can the ideas presented in this workshop be framed in terms of a national manpower policy?
If so, describe.
If not, summarize the major ideas emerging.

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## 2. PROCEEDINGS OF THE CENTRAL REGIONAL CONFERENCE ON: DIRECTIONS FOR A NATIONAL MANPOWER POLICY

Sponsored By

Human Resources Program
Department of Economics
University of Missouri-Columbia

St. Louis, Missouri

October 6-8, 1976

Prepared By: E. E. Liebhafsky
Lewis H. Earl
A. L. Warneke

## Introduction

Participants in the conference represented a variety of institutions involved in manpower or manpower-related activities. Among the institutions represented were federal, state, and local agencies responsible for developing manpower policy or planning and delivering manpower services; community based organizations; business enterprises; organized labor; and colleges and universities. The background papers and the conference discussion themes and issues, made available to participants prior to the conference, and the speeches, presented during the conference, appear in the appendixes of these proceedings. Following are summaries of the speeches and background papers, conference discussions, and the recommendations offered by the conference participants.

## I. SPEECHES AND BACKGROUND PAPERS

In the October 6 plenary session, Dr. Eli Ginzberg, Chairman, National Commission for Manpower Policy, welcomed the participants to the conference, citing the obligation of the Commission to assist the Congress in defining the dimensions of a national manpower policy. In pointing out that each of the three regional conferences would cover the same three themes but with a somewhat different emphasis at each conference, Dr. Ginzberg reminded the participants that the major emphasis in the Central U.S. Regional Conference was on interfacing manpower and economic policy through the development of a national manpower policy framework. He identified this topic as the one presenting issues requiring resolution before adequate consideration can be given either to means of solving employment problems of youth or to improving manpower programs and the delivery of manpower and manpower-related services.

Defining manpower policies as those specifically directed toward improving the employability and employment of people who are interested in working, Dr. Ginzberg charged the participants to produce inputs to the thinking of the Commission in the following four major areas: employment strategy; the balancing of income transfers and employment opportunities; training and its linkage to jobs; and the employment problems of youth.

He urged the participants to reflect on the effectiveness of past training efforts, the linking of income transfers and training as originally conceived in the WIN program, and the attempts to use public service employment as a vehicle for enabling members of minority groups to move from secondary to primary labor market jobs.

Dr. Ginzberg's presentation was closed with a reminder to the participants that one of the most critical issues facing the Commission is that of improving the transition from school to work as a means of coping with the employment problems of youth.

Dr. Charles C. Killingsworth, of Michigan State University, was the speaker at the October 7 plenary session. His background paper, "Manpower Policy for Balanced Economic Growth," was made available to participants prior to the conference, and his speech was entitled "Should Full Employment be a Major National Goal?" Dr. Killingsworth's major thesis was that predictions of disastrous inflation as a result of three or four percent unemployment lack support in either past experience or analysis. Low unemployment rates in the past have generally resulted from the generalized pressure of aggregate demand, which, at least in part, has been produced by fiscal and monetary policy. In contrast, the Humphrey-Hawkins Bill envisages focused demand and supply improvement programs, which have not been present in past periods of low unemployment. Dr. Killingsworth identified persuasive reasons for believing that specific programs would be much less inflationary than generalized stimulation of aggregate demand has been in the past. The specific programs, provided for in the Humphrey-Hawkins Bill, are a major role for public service employment in full employment policy and such other labor market measures as training, placement, and relocation.

In illustrating the ineffectiveness of aggregate demand policies in reducing unemployment, Dr. Killingsworth examined each of the post-World War II recessions and their respective recovery periods. The rate of unemployment, existing 18 months following the beginning of recovery from each successive recession, stabilized at a higher level. Each recovery, therefore, was less effective that the preceding one in reducing unemployment. Moreover, the lowest rate of unemployment achieved in the current recovery is almost precisely equal to the highest rate of unemployment in any of the other postwar recessions. The higher level of residual unemployment after each recovery has been immune to traditional efforts to reduce it and has remained higher because of several factors, including technological change, a shift to service-producing industries, and major and fundamental changes in the structure of the economy. These factors have combined to produce decreases in employment where the unemployed are located and increased employment opportunities, requiring skills that are not the skills of the unemployed, in growth areas in which the unemployed are not located.

The traditional instrument used to reduce unemployment has been fiscal policy and, specifically, tax cuts. Tax cuts, however, have been ineffective in creating jobs, because their purchasing power effects are generally diffused throughout the economy and tend to fuel inflation. They are not cost-effective in reducing unemployment; provide little or no relief for those who need it most; and are difficult to reverse or phase out.

In contrast, the job-creation effect of public service employment (PSE) is direct and focused. Because PSE can be concentrated on areas of low capacity and high unemployment, it not only adds people to public or private payrolls but helps further to reduce localized unemployment in the indirect creation of private-sector jobs through the spending of PSE earnings. Not only does PSE tend to be non-inflationary, but it is also cost-effective and relatively easier to scale down or eliminate.

The third instrument is manpower training. Numerous studies show that manpower training has been successful and has been cost-effective. The greatest shortcoming in manpower training is that it has been greatly underfunded. Its contribution to the goals of manpower policy could be increased by greatly increasing the funding. Recent inflationary pressures did not originate in the labor market, although some labor market institutions may have contributed, directly or indirectly, to inflation. To the extent that inflation has resulted from energy and raw materials shortages, crop failures, and other developments unrelated to the state of the labor market, it will still be with us--even if we are able to devise and install a non-inflationary full employment policy. Employment policies have been virtually paralyzed in recent years, partly because almost every employment policy proposal has been greeted by the assertion that such policy would be inflationary. The Humphrey-Hawkins Bill builds upon what we have learned about the difficulties of achieving full employment during the past decade and calls upon us to renew our faith that full employment is attainable.

The background paper, "Manpower Policy Goals for Urban America," by Dr. Bernard E. Anderson, of the University of Pennsylvania, reviewed some of the economic and social trends in urban areas, discussed past manpower policy initiatives designed to deal with urban manpower policies, and delineated the central issues that must be addressed in formulating an effective national manpower policy for urban areas.

Significant changes have occurred in the economic base of many urban centers over the past several decades. Net declines in the populations of older Northeastern and Midwestern cities have occurred, both because of slower growth relative to cities in the South and Southwest and loss of population by central cities to the suburbs. Out-migration of whites from the central cities, accompanied by black and Hispanic in-migration and high birth rates among urban blacks, produced a rising racial concentration in many of the nation's largest cities. At the same time, industries moved to the South and West and to the suburban areas of the Northeast and Midwest, and private sector employment opportunities in the central cities, consequently, experienced significant reductions. This long-run economic deterioration of the large central cities in the Northeast and Midwest was seriously worsened by the most recent recession, and unemployment rates in many urban areas remain significantly above the national level.

Manpower policy of the last decade was conceived in an era of increased awareness of, and concern for, the problem of structural unemployment. The prevailing view, however, assigned to monetary-fiscal policy the primary role in reducing unemployment and relegated manpower policy to a secondary role. Early manpower policy emphasized training the unemployed to fill job vacancies in labor shortage occupations and proved inadequate in providing solutions to urban manpower problems, because it did not adequately address such issues as equality of employment opportunity, the quality of work, and the transition from school to work. Few inner city residents were prepared for the new job opportunities; and implementation of early manpower policy through

established institutions was not accompanied by an effort to attract the disadvantaged into training. Redirection of manpower policy toward the problems of poverty resulted in diversification of the manpower service delivery system in the hope that the delivery of services to minorities and the disadvantaged in urban areas would be improved. Increased emphasis on program services for the disadvantaged reflected growing concern with discouraged labor force nonparticipants, low wage workers, low income workers, and the fact that many of the disadvantaged unemployed are locked into secondary jobs and are unable to penetrate the primary labor market, even after completing manpower programs. This fact has resulted in growing recommendations that manpower policy devote more attention to job creation, particularly through the creation of public service jobs for the disadvantaged.

On balance, heavy emphasis on services to the disadvantaged has often caused manpower policy to be viewed as directed primarily toward problems of economic inequality. One of the most difficult tasks in formulating a framework for a national manpower policy will be to change that image to reflect the wider range of economic and social objectives that are involved in the development of human resources.

According to Dr. Anderson, the economic and social developments of the past decade provide important lessons that may be useful in formulating a framework for a national manpower policy. First, there is general recognition that full employment without inflation cannot be attained through macroeconomic stimulation alone, Second, despite fuller appreciation of the role of manpower policy in achieving full employment, caution about its potential benefits reflected reactions to the proliferation of programs between 1964 and 1970, the influx into the labor force of new workers and less skilled workers, the lack of program coordination at the local level, and the fact that only a relatively small proportion of program participants were in programs which emphasized the development of marketable job skills. Third, continued efforts will be made to prevent discrimination against minorities and women. Fourth, the cities are increasingly unable to meet the burdens of unemployment and dependency among many of their residents, and these serious problems among the disadvantaged are likely to continue. Especially troublesome is the high unemployment of urban youth, leading to antisocial attitudes and values, and denying young, urban blacks the opportunity to acquire the positive work habits and labor market experience necessary for making wise career choices and accumulating job security.

Dr. Anderson identified several issues deserving special attention in developing a national manpower policy framework. First, it is necessary to shape manpower policy into close linkages to income maintenance policies so that work incentives are preserved. Second, there is a need for more emphasis on community economic development. Third, manpower policy should continue to support community based manpower service organizations to continue diversity in the nation's manpower delivery system. Finally, funds must be distributed more directly toward

the areas of greatest need, and the distribution of funds must be based more heavily on family income variations.

At the luncheon session on October 7, a panel discussed the framework of a national manpower policy. Members of the panel were: Dr. Anderson, Mr. John C. Bonner, Division of Manpower, Jackson Mississippi Manpower Consortium, and Mr. Basil J. Whiting of the Ford Foundation. The major ideas discussed by the panel were:

- o A need exists for a strong national commitment to the manpower goals of employment and decent earnings.
- o Manpower policy must have coequal status with monetary-fiscal policy.
- o Manpower policy must fight some of the inequities of discrimination and structural unemployment.
- o Strong leadership is needed to break away from the doctrine that low unemployment rates cause inflation and that high unemployment lowers inflation rates--toward an economic-social policy of growth and elimination of the waste inherent in unemployment and underemployment.
- o Manpower policy must look to curing problems that are reflected in inadequate and misdirected educational and growing income maintenance programs.
- o Fragmentation of programs and delivery agents and national fiscal-monetary and growth policies, that ignore their manpower implications, make active manpower policy difficult to articulate and coordinate.
- o The absence of new ideas and bold positive action makes launching effective manpower policy most difficult.
- o The Commission is commended for going to the grass roots to build a constituency for a strong national manpower policy based on broad inputs and is urged to encourage the sponsorship of more in-depth conferences with more time for deliberation.

Dr. F. Ray Marshall, of the University of Texas at Austin, prepared a background paper on "Manpower and Rural-Urban Balance" and, at the October 8 luncheon session, spoke on "The Interface of Public Policies and Economic Development." He presented the thesis that general economic policies have given too little attention to the way in which different sectors of the economy operate and interact, that manpower programs have not begun to achieve their potential as instruments of rural development, and that the manpower system has considerable potential--in general, and, specifically, in rural areas-- as an important part

of economic and social policy.

In Dr. Marshall's view, existing manpower programs, the planning and delivery of manpower services, and the use of the unemployment rate to allocate manpower funds have an urban bias. Few rural governments or organizations possess expertise in the planning or delivery of manpower services, and inadequate resources have been allocated to the solution of rural manpower problems.

Urban labor market institutions have not been effective in serving rural areas, for the unique character of rural labor markets does not allow for easy adaptation of urban-designed programs to rural settings. Moreover, the U.S. Department of Labor, lacking a strong rural constituency, is biased toward urban problems; labor organizations, employment services, and help-wanted advertisements are mainly urban phenomena; there is an urban bias in public service employment; and rural areas suffer from a relative absence of manpower institutions and training facilities. In comparison to those in urban areas, rural labor market information systems are less formal; rural labor markets have less structure and diversity; and rural employers are likely to have fewer choices among workers.

A number of innovative programs in the early 1970s demonstrated how manpower programs can be used to promote rural economic development, and a number of selective employment policies can be used in achievement of that goal. A need exists for better data and better conceptualization of relationships to permit innovative approaches to rural manpower problems. Some combination of on-the-job training and institutional training, rather than income maintenance, is necessary to develop both agricultural and nonagricultural skills. Effective application of the outreach concept is necessary to recruit and train rural workers for jobs on rural projects. Public employment is a very flexible tool and can provide opportunities for government employment, public works, or supportive work--and a program that might fail in a central city might be very effective in a rural area. Rationalization of rural labor markets would eliminate wastes arising out of labor market inefficiencies by increasing worker earnings without increasing labor costs. It is necessary to improve the operation of labor markets, making them work more efficiently to eliminate discrimination. Finally, it is necessary to promote economic development in lagging places. The fact that many urban problems originate in rural areas produces a commonality of interests between rural and urban people. Relocation projects have a small role to play and may not prove politically acceptable.

If selective employment programs are to be used to promote the economic development of lagging rural regions, a number of specific actions might be taken to achieve that goal. Organizational structure might be improved by providing more rural manpower specialists. Local units of government might be strengthened through the development of expertise in the promotion of development. Start-up training programs might be adapted more effectively to rural areas. Community development corporations might be created in lagging places. There is a need to

develop a manpower allocation formula that is less biased against rural areas. Finally, State Manpower Services Councils and governors should support programs which have exhibited considerable merit in alleviating the problems of rural people.

## II. CONFERENCE DISCUSSIONS

Each of the four discussion groups, to which conference participants were assigned, was structured, insofar as possible, to be representative of the conference participants as a whole. The services of a discussion leader, a rapporteur, and a resource person were available to each group, and copies of rapporteur's reports were distributed to all participants after each group discussion session. In the final plenary session, therefore, each participant had available the reports of the four rapporteurs on each of the three major discussion issues. Although no attempt was made to achieve consensus, each participant was afforded the opportunity, in the final plenary session, to dissent from, or amplify, the reported conclusions and recommendations. In addition, participants were informed that statements submitted for possible inclusion in these proceedings would be accepted during the week following the close of the conference. Since such statements were not submitted, only the dissenting and/or amplifying statements presented in the final plenary session are incorporated into this summary of the conference discussions.

### A. Issues and Elements in the Design of a National Manpower Policy

The first discussion theme focused on the framework for a national manpower policy and, specifically, on the interfacing of national manpower policy, general economic policy, and social policy. Discussion of this issue was structured to encourage the conferees to identify those national manpower policy goals that are consistent with promoting orderly and sustained economic growth and are responsive to other social and economic policies; the manpower and general economic policies implied in a national commitment to full employment; the possible means of adapting income maintenance policies to accomodate the goals of national manpower policy; the mix of programs which would best serve as an appropriate short-term countercyclical policy; and the manpower and general economic policies required to reduce unemployment in industries, regions, and states that have special unemployment problems.

None of the four discussion groups considered all of the foregoing issues in detail. In fact, in some of the groups, considerable time was spent in the formulation of concepts and the definition of terms. In addition, there was a tendency on the part of those groups, in which operations-oriented participants were particularly vocal, to emphasize operational aspects of manpower programs, rather than broader policy questions. In order to focus this summary of the first theme discussion on a national manpower policy framework, comments relating to operational aspects of manpower programs are considered in the summary of discussions under the third theme.

National Manpower Policy Goals

The conferees agreed that full employment and price stability are the major national manpower policy goals and that they are unlikely to be achieved primarily through fiscal-monetary policies. Viewing these goals as inherently in conflict, the conferees preferred use of the term, employment policy--consisting of both general fiscal-monetary policy and specific policies that relate to employment and unemployment--to the term, manpower policy. In addition, they viewed a broad, national human resources policy as consisting of employment policy, education policy, anti-poverty policy, equal employment opportunity policy, and income maintenance policy.

Specific policies that relate directly to employment and unemployment were defined to include those providing for labor market information systems; training (pre-employment and, especially, vocational education, apprenticeship, and on-the-job training); improving the operation of labor markets; and public service employment. A consistent theme throughout the discussions was that these specific policies must focus on solutions to structural unemployment, concentrate on the problems of disadvantaged workers, be directed, primarily, toward affecting labor supply, and be accompanied by both regional economic development and job creation policies.

National economic and social policies should remain broad and flexible and be integrated with policies that relate directly to employment and unemployment and are designed to enable workers to be employed at their highest skill potential. In addition, the conferees found it necessary that cultural biases and cultural barriers to employment be reduced through increased emphasis on equality of employment opportunity.

The conferees concluded that manpower policy must avoid acceptance of unemployment as a means of achieving other economic goals. Functioning of labor markets must be made more efficient in order to reduce structural unemployment and minimize inflationary pressures. National manpower policy must include integration of the educational system's objectives with those of other manpower-related institutions concerned with the skill and employability development of individuals and the abilities of individuals to maintain themselves at an acceptable income level.

The conferees endorsed the creation of jobs, especially in the private sector, in order to compensate for an existing deficiency of aggregate demand and the use of manpower policy to correct structural deficiencies in the operation of labor markets. At the same time, they found that changes in education and training policies are not likely to be very effective in the short run; that job creation is necessary to permit utilization of the current skills of unemployed persons and discouraged labor force nonparticipants; and that manpower policy must be related to income maintenance policies as a means of furthering equity in the distribution of income.

The conferees agreed that existing employment and unemployment policies should be focused more sharply for the purpose of ending diffusion of their objectives. They also agreed that major national economic and social policies must be evaluated in terms of their manpower effects, as a part of their total economic effects, and that manpower impacts should be reflected in economic policy recommendations of the Administration. In addition, they believed that high priority should be assigned to analysis of the structure of the future labor force in terms of its implications for national manpower policy.

In their discussion of this first issue, the conferees recommended that the National Commission for Manpower Policy stimulate the private sector to assume a greater role in the development of national manpower policy; serve as a catalyst in restoring manpower policy to a position of initiative; recommend a broadening of its membership to include Members of Congress (from the relevant committees of the House and the Senate), and become more cognizant of the educational system, particularly the vocational education and higher education components of that system. Finally, they recommended that all existing manpower-related legislation (CETA, Vocational Rehabilitation, Vocational Education, WIN, etc.) be consolidated into one comprehensive manpower act.

Policies Implied in a National Commitment to Full Employment

A national commitment to full employment was found to imply: inflation policy; productivity policy; incomes policy; energy policy; health policy; food policy; and policies dealing with the distribution and redistribution of income. Achievement of full employment, in the judgment of the participants, must accommodate economic and social objectives in order to be responsive to the needs and circumstances of individuals and groups.

The conferees emphasized the need to create private sector jobs through monetary-fiscal policy. The view was expressed that selection of criteria for participation in manpower programs must be cognizant of Congressional reaction to constituent fear of advantage being given to others at their expense through, for example, inflationary consequences of program expenditures and/or preferential treatment in the granting of access to training and employment opportunities.

A need to improve the functioning of labor markets to permit more effective worker-job matches was noted. In addition, the conferees found that the educational process can contribute to a more effective matching of workers and jobs. At the same time, they called for a realistic position on the level of earnings that would provide a reasonable incentive to individuals to forego illegal or non-work-related income opportunities.

The conferees recommended that public service employment stress transition, first, to permanent jobs in the private sector and, second,

to permanent jobs in the public sector. In addition, they recommended that specific target unemployment rates be defined for individual labor-force groups and that every effort be made to develop a measure of hardship to supplement the unemployment rate, since the unemployment rate does not measure hardship in our society.

Adaptation of Income Maintenance Policies to the Goals of National Manpower Policy

Discussion of this issue concentrated on the unemployment insurance program. In addition, there was some support for the view that much of the funding has actually been misdirected toward income maintenance and that vocational education funds should be refocused specifically upon skills training.

The conferees agreed that the unemployment insurance program should be returned to its traditional role as a temporary source of income maintenance when job separation occurs. They also agreed that opportunities for productive earnings should be provided to exhaustees and that income maintenance policies, in general, should increase training and skills-enrichment opportunities for persons willing and able to work.

The conferees recommended that, to the maximum extent possible, income maintenance funds, particularly extended unemployment insurance funds, be rechanneled to job-creating subsidies in the private sector. At the same time, they recommended that, when the creation of appropriate jobs in the private sector cannot be stimulated, jobs be created through public service employment and that a minimum standard of living be guaranteed, through income maintenance, to each individual.

Program Mix

While there was support for local determination of program mix, the conferees concluded that it is not possible to provide a specific prescription for an optimum mix of programs, because the most desirable program mix at any time will be determined by the level of economic activity. The conferees recommended that, as demand-deficient unemployment declines, funds be shifted in order to maintain total manpower expenditures.

Policies to Reduce Structural Unemployment

The conferees viewed macroeconomic policies as inadequate to the task of resolving structural unemployment, particularly in major cities They found relocation assistance for unemployed workers to be a realistic tool only where policital barriers are not great and the relocation proves truly beneficial to the unemployed. The conferees recommended that manpower funds be allocated to specific areas, including sub-metropolitan areas, according to levels of chronic unemployment, underemployment, and poverty in such a way as to maximize the exercise of local initiative.

## B. Employment Problems of Youth: Improving the Transition from School to Work

Issues set forth for consideration by the conferees in their discussion of this theme included: possible modification of the public school system to effect a smoother transition from school to work; possible national and/or local efforts to solve youth employment problems; impediments to the transition from school to work; and the role of national manpower policy in affecting the structures of internal and secondary labor markets.

### Possible Modification of the Public School System

The conferees agreed that the public school system should not be exclusively entrusted with the development of policy instruments for improving the transition from school to work. Rather, they viewed this responsibility as one to be shared by the public school system, other government entities concerned with education and manpower, business, and organized labor.

Modifications of the school system was given extensive attention in the discussions. The conferees agreed that much more emphasis must be placed on vocational and career education; orientation to, and acquisition of, general and specific job skills; and education against cultural bias. It was suggested that the system be modified to provide career, occupational, and vocational guidance in the early grades. The conferees agreed that the modifications should be instituted in a manner permitting a piecemeal, remedial approach. Since educational problems of youth are imbedded in a broader social environment, educational remediation must begin in the early grades and cannot be pursued in isolation from the social context in which it operates.

Among the specific modifications suggested by the conferees are the following: high schools should offer, in addtion to academic counseling, vocational counseling based on relevant labor market information; beginning with junior high school, education should include preparation for the world-of-work (job-seeking skills, socialization, etc.) and more career education and work-study programs, including work in the public and private sectors, should be available through the public schools.

Responsibility for the development of policies to improve the transition from school to work could be delegated to regional and/or local councils consisting of representatives of organized labor, business, public schools, and public manpower agencies. This suggestion was accompanied by emphasis on local initiative and the further suggestion that the development of such policies be a responsibility of CETA prime sponsors. More specifically, the conferees recommended that the public schools make an effort to encourage the private sector to provide technical inputs to public education and to become knowledgeably involved in building the school-to-work bridge.

## Possible Efforts to Solve Youth Employment Problems

The conferees agreed that a large-scale, nation-wide effort must be mounted to address the employment problems of youth and that the special youth effort must be an integral part of overall national manpower policy.

Consensus was not evident on such aspects of this nation-wide effort as its structural relationship to present manpower programs; whether direction for its implementation should be at the national, state, or local level; or what kind of programmatic mix it should offer. Agreeing that a special youth effort should be federally-funded, and unable to agree with respect to the appropriate degree of local discretion in its implementation, the conferees were agreed that coordination of the activity among agencies and institutions at federal, state, and local levels must be mandated.

The need for a greater private sector effort to solve the employment problems of youth was recognized by the conferees. In addition, there was some support for the view that private sector participation in a special national youth effort would be most productive, if state and local governments acted as catalysts to secure its involvement, and if it did not face the need to be responsive to the many other federal target groups. Yet, there was support for the establishment of a closer link between the schools and the public employment service.

Endorsement of a special national youth effort was accompanied by emphasis on the maintenance of local variability of such an effort. The conferees agreed that a special national effort to address the problems of youth should emphasize the development of functional models and strategies, which respond to locational differences in youth unemployment problems, rather than the design of delivery systems. Yet, there were suggestions that a national manpower program for youth focus on providing special assistance to economically disadvantaged school drop-outs and that there be established a federally-funded Youth Employment Corps with local discretion in formulating and developing permanent employment opportunities.

A suggestion that there be a special national youth effort, with broad guidelines for implementation within the CETA delivery system, was accompanied by the dissenting view that more specific guidelines should be established for the use of federal funds, if the CETA delivery system is to be used. The conferees recommended that a comprehensive national youth employment policy be established as one part of an overall national policy; funds available for youth programs be made available in block-grant form, on a year-round basis, to allow for more meaningful coordination at the national, state, and local levels; minimum federal standards for educational accountability be established; and federal funding be earmarked for areas which show evidence of a willingness and ability to reduce designated educational deficiencies.

Impediments to the Transition from School to Work

Recognizing the existence of impediments to the transition from school to work, the conferees agreed that, for out-of-school youth, more emphasis should be placed on year-round training and less on work-experience programs. They also agreed that the current, fragmented effort directed toward the transition from school to work should be made more effective through coordination of national, regional, and local efforts to improve the transition. There was agreement that there are currently serious disincentives for employers to hire youth with little or no job experience.

The conferees recommended establishment of a National Study Commission to explore further the problems associated with the varied relationships of education and work, encouragement of flexible school-work arrangements, exploration of year-round educational opportunities, and examination of youth labor laws.

They also recommended serious large-scale experimentation with youth wage subsidization and aggressive, innovative pursuit of varied work-study opportunities. Recognizing the possibility of labor substitution as a relevant issue, the conferees expressed specific opposition to a lower minimum wage for youth in an environment of inadequate aggregate demand.

In addition, it was suggested that it would prove useful to undertake careful investigation of possible approaches to increasing the number of jobs available to youth through encouraging a shorter work-week, making early retirement more attractive, lengthening vacations, providing sabbatical leaves for workers, and making vocational-technical education more readily available to high school dropouts and graduates.

Role of National Manpower Policy in Affecting the Structures of Labor Markets

The conferees agreed that jobs provided for youth should stress meaningful work which will enhance future employment opportunities and that public service jobs could be used to afford youths entry into the primary labor market, particularly if existing impediments to the upgrading of entrants into primary labor market jobs were removed.

## C. Manpower Programs and Services: Infrastructure and Delivery

In their discussion of this theme, the conferees questioned the extent to which decentralization of manpower programs has been accomplished and agreed that local governments should be given greater discretion in the meeting of local needs. The availability of that discretion, however, should be accompanied by a clear national policy mandate and a more effective coordination of programs. These views were developed in discussion of the effectiveness of a decentralized system in leading to maximum employment opportunities and the enhance-

ment of self-sufficiency for economically disadvantaged, unemployed, and underemployed persons; the consequences for regional economic development of a decentralized manpower system; the relationship beteeen national manpower goals and the goals of state and local developers of such programs; the effectiveness of decentralization and decategorization in reducing grantsmanship and in improving the delivery of manpower services; the effectiveness of State Manpower Services Councils in coordinating federally funded and/or state operated programs; the means by which Federal Executive Departments might encourage coordination of human resources efforts and the establishemnt of active information exchange among state agencies; and the appropriate relationship between manpower policy and income maintenance systems.

Effectiveness of a Decentralized System

This discussion issue will be recognized as the Statement of Purpose of the Comprehensive Employment and Training Act of 1973. It was designed to stimulate discussion of the extent to which the CETA manpower delivery system has achieved the purpose of the legislation.

The conferees agreed that too little time has passed since the implementation of CETA, and experience has not been adequate, to permit a judgment concerning the effectiveness of a decentralized training and manpower services delivery system. The conferees noted numerous institutional restraints on the exercise of local discretion and agreed that some of these restraints may preclude an objective evaluation of decentralization. In addition, however, they emphasized the need to recognize deficiencies in local planning and administration of manpower programs.

The objective of a decentralized manpower delivery system was judged to be the provision of a service which is integrative and comprehensive from the perspective of those who need and seek labor-market-related assistance.

Questioning the extent to which decentralization has occurred, the conferees did not reach a consensus with respect to whether or not the delivery of manpower services has improved since the implementation of CETA. They concluded that greater local discretion in designing programs and allocating funds among them would permit more effective response to constituent needs.

The conferees recommended that WIN, other HEW programs, and the Job Corps be brought into closer coordination with Title III, and other prime sponsor activities; highest priority for assistance to disadvantaged persons be reaffirmed; funds for manpower programs be increased to permit a change to a 100 percent hold harmless formula to compensate prime sponsors for regional cost differentials and inflation and to prevent a reallocation of funds between areas; and decisions regarding which programs should be emphasized at the local level be made at the local level.

## Consequences for Regional Economic Development of a Decentralized Manpower System

Recognizing inherent political problems, the conferees concluded that, ultimately, all manpower and manpower-delivery systems should be decentralized. Such decentralization, however, should be accompanied by a clear national direction of manpower policy, a statement of national manpower policy goals, local allocation of funds to programs, and meaningful accountability of local governments to the federal government.

The conferees recommended that federal support be provided for the establishment, on a pilot basis, of regional manpower planning councils responsible for the delivery of manpower and manpower-related services. They recommended, also, establishment of a two-tier allocation mechanism, which not only would provide funding through existing formulas but would add high impact dollars to provide an incentive for the establishment of regional manpower planning councils and a totally decentralized manpower system.

## Relationship Between National Manpower Goals and the Goals of State and Local Developers of Manpower Programs

The conferees did not believe that national goals are sacrificed in a decentralized system or that state and local goals would necessarily be sacrificed in a national system. They did, however, believe that state and local goals would be in greater jeopardy in a national system than would national goals in a decentralized system.

It was agreed that there has been little decentralization of program decision-making under CETA and that the intent of Congress may have been subverted. Recognizing that local autonomy does not imply nonaccountability, the conferees agreed that, if the concept of decentralization is to be given a fair trial, uniform standards of performance cannot be dictated from the national level. In addition, they agreed that planning on the basis of labor market areas should be encouraged.

The participants concluded that, in order to ensure that local programs are consistent with national goals while preserving local initiative and control, local prime sponsors should be given maximum freedom of decision-making, consistent with plan review by, and accountability to, federal agencies. Finding that national manpower goals can, and should, be articulated, the conferees concluded that the specific techniques to be adopted in achievement of these goals should be locally determined. They also agreed that national goals should be adapted to the special labor market needs of states and local areas, reflecting differences in the structures of local labor forces and labor markets.

The conferees recommended that consortia and other means of coordinating prime sponsor activities be further encouraged to bring planning of manpower programs into closer alignment with labor market areas; local administrative jurisdiction be related to local labor markets; local control be based on accountability to the federal government; and

the Commission define the roles of decentralized manpower systems within labor market areas, especially the roles of such systems in regional economic development. In a dissenting view, it was stated that public service employment decision-making authority, particularly with respect to wages and working conditions, should remain with the federal government and should not be left to the discretion of local authorities.

Effectiveness of Decentralization and Decategorization in Reducing Grantsmanship

The conferees agreed that, especially during the recession, decategorization and decentralization resulted in some changes in the composition of people served by manpower programs. They divided on the issue of whether implementation of decentralization and decategorization had improved service delivery, and the majority view was that improvement could be detected. The conferees concluded that, while decategorization and decentralization have reduced grantsmanship in that term's original connotation, implementation of the two concepts has resulted in a change in the nature of grantsmanship, which is still required and practiced at the state and local levels.

Effectiveness of State Manpower Services Councils

The conferees agreed that, with some exceptions, SMSCs are not providing effective economic/social program coordination. It was their judgment that, until and unless Congress begins to rationalize human resource programs and federal agencies follow-up by providing the necessary operational linkages, it will be virtually impossible to achieve the desired coordination. The conferees concluded that the SMSC has the potential for effective catalytic coordination of human resources services programming; gubernatorial leadership in promoting local coordination is essential; governors need to take a more direct and stronger interest in the efforts of the SMSCs; and the manpower system should encourage flexibility in the selection of service delivery agencies from among governmental, private profit-making, and private non-profit sources.

They recommended that the SMSCs be given review and comment (sign-off) authority for all federally-assisted human resources programs prior to OMB Circular A-95 review.

Encouraging Coordination of Human Resources Efforts

The conferees agreed that the Federal Executive Departments can best encourage coordination of human resources efforts and exchange of information by setting an example among themselves. The conferees recognized the efforts of the Department of Health, Education and Welfare to coordinate the manpower-related programs within its jurisdiction. They recommended enactment of legislation, which would compel effective coordination among federal agencies in implementing human resources programs and include safeguards against mere lip-service to such efforts.

Appropriate Relationship Between Manpower Policy and Income Maintenance Systems

The conferees considered possible modification of the unemployment insurance system to provide broadened coverage, possible financing of benefits for all workers by the federal government, the possible role of the unemployment insurance system as a manpower support program, the relationship of income maintenance to work incentives, and federal financing of the welfare system. They concluded that income transfer programs should be accompanied by work requirements and not impair work incentives. This conclusion was accompanied by two dissenting views: (1) a work requirement should not be made a part of the unemployment insurance system and (2) the basic manpower service delivery model and performance standards identified for CETA are essentially urban models and have rapidly diminishing utility in the poorer, rural areas. There is, therefore, a continuing need to identify, refine, demonstrate, and support rural manpower delivery models and standards which have the potential of greater relevancy and utilization.

The conferees also concluded that the unemployment insurance system not only can, but should, become a manpower support program under which unemployed persons are required to accept skill training, and the welfare system should be wholly financed by the federal government.

Only one of the discussion groups offered recommendations concerning this issue. It recommended that the Commission give serious study to the questions of income maintenance and job-search, in a study divorced from the issue of the financing of unemployment insurance, and that a continued effort be made to extend the coverage of unemployment insurance, but without the complete financing by the federal government of such extension of coverage.

## D. Recommendations of the Conference

Issues and Elements in the Design of a National Manpower Policy

1. Existing employment and unemployment policies should be focused more sharply with a view of ending diffusion of their objectives and a consequent loss of their sense of priorities.

2. Major national economic and social policies should be examined in terms of their manpower effects as a part of their total economic effects, and manpower impacts should be reflected in economic policy recommendations of the Administration through representation of manpower expertise on the Council of Economic Advisers.

3. High priority should be assigned to analysis of the structure of the future labor force in terms of its implications for a national manpower policy.

4. The Commission should stimulate the private sector to assume a greater role in the development of national manpower policy.

5. The Commission should serve as a catalyst in restoring employment policy (fiscal-monetary policy and manpower policy) to a position of initiative.

6. The Commission should recommend a broadening of its membership to include Members of Congress (from the relevant committees of the House and the Senate).

7. The Commission should become more cognizant of the educational system, particularly the vocational education and higher education components of that system.

8. All existing manpower-related legislation (CETA, Vocational Rehabilitation, Vocational Education, WIN, etc.) should be consolidated into one comprehensive manpower act.

9. First priority should be assigned to the expansion of private sector jobs.

10. Public service employment should stress transition, first, to permanent jobs in the private sector and, second, to permanent jobs in the public sector.

11. Specific target unemployment rates should be defined for individual labor-force groups.

12. Every effort should be made to develop a measure of hardship to supplement the unemployment rate, since the unemployment rate does not measure hardship in our society.

13. The unemployment insurance program should be returned to its traditional role as a temporary source of income maintenance when job separation occurs but should specifically provide to exhaustees opportunities for productive earnings.

14. Income maintenance funds, particularly extended unemployment insurance funds, should be rechanneled to job-creating subsidies in the private sector.

15. Whenever an appropriate job cannot be made available, an individual should be guaranteed a minimum standard of living through income maintenance.

16. Income maintenance policies should be modified to increase training and skills-enrichment opportunities for persons willing and able to work.

17. To the extent that vocational education funding has gone into income maintenance, vocational education funds should be refocused specifically upon skills training.

18. As demand-deficient unemployment declines, funds should be shifted to training programs to maintain total manpower expenditures in periods of inflation.

19. Manpower funds should be allocated to specific areas, including sub-metropolitan areas, according to levels of chronic unemployment, underemployment, and poverty.

Employment Problems of Youth:
Improving the Transition
From School to Work

1. The public schools should make an effort to encourage the private sector to provide technical inputs to public education and to become knowledgeably involved in building the school-to-work bridge.

2. A comprehensive national youth employment policy should be established as one part of an overall national manpower policy.

3. Funds available for youth programs should be made available in block-grant form, on a year-round basis, to allow for more meaningful coordination at the national, state, and local levels.

4. Minimum federal standards for educational accountability should be established.

5. Federal funding should be earmarked for areas which show evidence of a willingness and ability to reduce designated educational deficiencies.

6. A National Study Commission should be convened to explore further the problems associated with the varied relationships of education and work.

7. Flexible school-work agrangements, exploration of year-round educational opportunities, and examination of youth labor laws should be encouraged.

8. Serious large-scale experimentation with youth wage subsidization, perhaps modeled along the lines of the NAB/HRDI summer program funded by the Department of Labor in 1976, should be undertaken.

9. Varied cooperative work-study opportunities should be aggressively pursued in innovative ways.

10. Because the possibility of labor substitution is recognized as a relevant issue, a lower minimum wage for youth is not recommended in an environment of inadequate aggregate demand.

11. Careful investigation of possible approaches to increasing the supply of jobs, including but not limited to shorter work weeks and changes in retirement programs, should be undertaken.

Manpower Programs and Services:
Infrastructure and Delivery

1. WIN, other HEW programs, and Job Corps should be brought into closer coordination with Title III, and other prime sponsor activities.

2. Highest priority for assistance to disadvantaged persons should be reaffirmed.

3. There should be increased funds for manpower programs to permit a change to a 100 percent hold harmless formula to compensate prime sponsors for regional cost differentials and inflation and to prevent a reallocation of funds between areas.

4. Decisions regarding which programs should be emphasized at the local level should be made at the local level.

5. Federal support should be provided for the establishment, on a pilot basis, of regional manpower planning councils responsible for the delivery of manpower and manpower-related services.

6. A two-tier allocation mechanism, which not only would provide funding through existing formulas but would add high impact dollars, should be adopted to provide an incentive for the establishment of regional manpower planning councils and a totally decentralized manpower system.

7. Consortia and other means of coordinating prime sponsor activities should be further encouraged to bring planning of manpower programs into closer alignment with labor market areas.

8. National goals should be adapted to the special labor market needs of state and local areas, reflecting differences in the structure of local labor forces and labor markets.

9. Local administrative jurisdiction should be related to local labor markets, and local control should be based on accountability to the federal government. (According to a dissenting view, public service employment decision-making authority, particularly with respect to wages and working conditions, should remain with the federal government and should not be left to the discretion of local authorities.)

10. The Commission is urged to define the roles of decentralized manpower systems within labor market areas, especially the roles of such systems in regional economic development.

11. The SMSCs should be given review and comment (sign-off) authority for all federally-assisted human resources programs prior to OMB Circular A-95 review.

12. Legislation, which would compel effective coordination

among federal agencies in implementing human resources programs and include safeguards against mere lip-service to such efforts, should be enacted.

13. The Commission should give serious study to the questions of income maintenance and job-search, and such a study should be divorced from the issue of the financing of unemployment insurance.

14. A continued effort should be made to extend the coverage of unemployment insurance, but such an extension of coverage should not be completely financed by the federal government.

## III. DISCUSSION THEMES AND ISSUES

In its First Annual Report, the National Commission for Manpower Policy states:

> A major objective of the Commission is to contribute to the formulation of a national manpower policy which will identify priority national manpower objectives and indicate how they may be achieved.

### A. ISSUES AND ELEMENTS IN THE DESIGN OF A NATIONAL MANPOWER POLICY

- What national manpower policy goals are consistent with promoting orderly and sustained economic growth and are responsive to other social and economic policies dictated by changing circumstances and requirements?
  - What does a comprehensive national manpower policy include and what is beyond its reach?
  - How can broad national economic and social policies be integrated with national manpower policy to optimize the achievement of interdependent goals?
  - How can national manpower policy be elevated from a defensive-reactive position to a position of initiative in the achievement of national economic and social goals?
- What manpower and general economic policies are implied in a national commitment to full employment?
  - What are the quantitative and qualitative dimensions of full employment?
  - How must the achievement of full employment accommodate economic and social objectives in order to be responsive to the needs and circumstances of individuals and groups?
- How can income maintenance policies be adapted to accommodate the goals of national manpower policy?

- o What mix of programs - e.g., public service employment, training programs, and extended unemployment insurance benefits - would best serve as an appropriate short-term countercylical policy?

- o What manpower and general economic policies are required to reduce unemployment in industries, regions, states, and areas that have special employment problems?

    - Should tax incentives and other employment subsidies be utilized to stimulate the creation of jobs in the private sector?

    - Should increased emphasis be placed upon such community development job creation programs as rehabilitating public facilities, developing parks, rehabilitating and insulating housing, and ground clearance for industrial parks?

    - Should federal contracts, grants, and civil service payrolls be targeted to regions, states, and areas whose economies have been deteriorating?

    - Is relocation assistance for unemployed workers a realistic tool?

B. EMPLOYMENT PROBLEMS OF YOUTH: IMPROVING THE TRANSITION FROM SCHOOL TO WORK

- o Should the policy instruments for improving the transition from school to work be developed within the public school system? How can and should the public school system be modified to effect a smoother transition?

- o Can the employment problems of youth be addressed at the local level?

    - Given the fragmentation of work-related services, is it appropriate to develop and implement a coordinated offering of these services on a year-round basis through a special youth effort?

    - What are the appropriate roles of federal, state, and local public agencies, employers, and organized labor in relation to such a special youth effort?

- o How are youths' employment opportunities affected by existing impediments to the transition from school to work? How do discrimination, laws and hiring practices that constrain the movement between education and work, inadequate curriculum orientation to the world of work, apprenticeship programs, and the seniority system affect youths' full participation in the economy?

- o Should a national manpower policy include a set of strategies that differentiates youth employment problems according to demographic and geographic characteristics of youth?

- o How can a national manpower policy be designed to affect the structures of internal and secondary labor markets to improve youths' opportunities for occupational advancement and employment in primary labor markets? How would such a policy affect youths' participation in the labor force?

C. MANPOWER PROGRAMS AND SERVICES: INFRASTRUCTURE AND DELIVERY

- o Is a decentralized system the most effective method of providing job training and employment opportunities to economically disadvantaged, unemployed, and underemployed persons? Can such a system provide training and other services which lead to maximum employment opportunities and the enhancement of self-sufficiency?

- o What are the consequences for regional economic growth and development of a decentralized manpower system? Does the self-interest of elected officials preclude a positive contribution by manpower programs to regional economic development?

- o Are the national goals of manpower programs and services the same as the goals of state and local developers and administrators of such programs?

    - Need national goals be sacrificed in a decentralized system?

    - Need state and local goals be sacrificed in a national system?

    - How can national manpower policy and a decentralized system insure a minimal sacrifice of national, state, and local manpower goals?

- o Have decategorization and decentralization been effective in reducing grantsmanship and in improving the delivery of manpower services?

- o Can federally funded and/or state operated economic and social programs be effectively coordinated through such state councils as State Manpower Services Councils (SMSCs)?

    - What can be done to strengthen and improve the functioning of SMSCs?

    - What contributions can be made by community based organizations, organized labor, and private business to coordination and improvement of the delivery of manpower and related services?

- o How can Federal Executive Departments encourage coordination of human resources efforts and the establishment of active information exchange among state agencies?

- o What should be the relationship between manpower policy and income maintenance systems?

    - Should the unemployment insurance system be modified to provide broadened coverage with benefits financed by the federal government for all workers?

    - Can the unemployment insurance system become a manpower support program under which unemployed persons are required to accept skill training?

    - How can the welfare and unemployment insurance systems both provide adequate incomes and maintain incentives to work?

    - Should the welfare system be financed wholly by the federal government?

- o Is it appropriate to redesign public service employment to serve the goals of manpower development for the hard to employ or long-term unemployed, temporary job creation for appreciable numbers of disemployed during an economic downturn, and job creation in geographic areas which continue to experience high unemployment even in the best of times?

- What is the likelihood of fiscal substitution when public service employment programs are operated solely through state and local government?

- Is it appropriate to establish a federally-operated public service employment program alongside decentralized programs?

o What improvements in institutional arrangements are necessary to permit an implementation of national manpower policy consistent with the achievement of full employment and equity in the distribution of employment opportunities?

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D. REPRESENTATION OF PARTICIPANT GROUPS BY NUMBERS OF PARTICIPANTS, OTHER THAN PROGRAM PARTICIPANTS

| | |
|---|---|
| Business, Industry and Commerce | 6 |
| CETA Prime Sponsors | 28 |
| Colleges and Universities | 9 |
| Community Action Agencies | 2 |
| Congressional Budget Office | 1 |
| Department of Agriculture | 1 |
| Department of Health, Education and Welfare | 4 |
| Department of Interior | 1 |
| Department of Labor | 9 |
| National Commission for Manpower Policy | 7 |
| National Governor's Conference | 1 |
| Organized Labor | 7 |
| Public and Private Interest Groups | 1 |
| SER | 1 |
| State Department of Education | 2 |
| State Employment Security Agencies | 10 |
| State Vocational Education Offices | 5 |
| Urban League | 4 |
| Veterans Administration | 1 |
| Work Incentive Program | 1 |
| Total Participants | 101 |

## 3. PROCEEDINGS OF THE WESTERN REGIONAL CONFERENCE ON: DIRECTIONS FOR A NATIONAL MANPOWER POLICY

Sponsored By

Employment Studies Program of
San Francisco State University

San Francisco, California

October 13-15, 1976

Prepared By: Curtis C. Aller
C. Daniel Vencill

## INTRODUCTION:

## CONFERENCE DESIGN AND OBJECTIVE

The overall purpose of the conference was to develop recommendations in three broad areas for the National Commission on Manpower Policy to review and incorporate in the Commission's next report to Congress and where appropriate, pass on as recommendations to the executive departments. The areas selected by the Commission for this and the preceding Atlantic and Mid-Western Conferences were:

I. Issues and Elements in the Design of a National Manpower Policy.

II. Employment Problems of Youth: Improving the Transition from School to Work.

III. Manpower Programs and Services: The Infrastructure and Delivery.

In addition, the Western Conference was able to add a section on Energy and Manpower.

Invited papers were solicited by each conference. To provide a setting in which the papers could be complementary to one another, each conference picked an area for special emphasis. We picked number III above, the infrastructure, and so we went to those who knew the infrastructure the best, the practitioners for our experts. The results have amply validated this judgment.

In order to get these policy recommendations, the number of participants had to be kept to a manageable size. Moreover, the format had to provide for active work group sessions. Organized presentations, therefore, were kept to a minimum.

Finally, there was the problem of who should be invited. This task was turned over to a planning group representing prime sponsors, the three regional offices of the Departments of Labor, and HEW, counterpart state representatives and the conference staff. This group carefully winnowed through the possibilities and each region ultimately undertook to provide a list that provided individuals in these categories--business, labor, federal government, state government, prime sponsors, elected officials, community based organizations, academics, minority groups and representatives of programs not directly within the manpower network. While this model was used in an effort to secure balance and a certain range in views, the committee members also adopted an over-riding criterion that the individual not be viewed as a representative but be picked because of proved competence. Hence, substitutes for the invitee were ruled out.

Under these ground rules, three separate waves of invitations were sent out until the capacity of the conference facility (100) was reached. There were, despite this effort, some notable imbalances produced by the failure to attract more than a handful of business and labor participants. A breakdown of conferees by affiliation appears below:

| AFFILIATION | NUMBER | PERCENT |
|---|---|---|
| Federal Officials | 25 | 23% |
| Colleges and Universities | 17 | 16 |
| CETA Prime Sponsors | 14 | 13 |
| Other Government | 13 | 12 |
| Community Based Organizations | 11 | 10 |
| Political and Elected Officials | 8 | 7 |
| NCMP, Members & Staff | 6 | 5 |
| Organized Labor | 6 | 5 |
| Business Sector | 5 | 5 |
| Public and Private Interest Groups | 3 | 3 |
| TOTAL | 108 | 100% |

Experienced discussion leaders, rapporteurs, and resource persons served with each group and their skill contributed greatly to the outcome.

Conferees were provided with an extensive set of discussion questions prior to the conference. These are included in Appendix E.

The exchange of ideas and opinions is organized and reported under broad sets of questions, some of which were raised by the participants themselves. Obviously, with a group as diverse as the one in attendance here, there was the expected amount of lack of consensus and dissent on many proposed recommendations. But all participants had in their hands, before the close of the conference, a complete record of the recommendations to be attributable to the conference as a whole. Because of this fact there was the opportunity to add a dissenting view or a modification to any recommendation.

As none was forthcoming, the recommendations were clearly acceptable. An attempt is made to differentiate the problems and observations, which a majority seemed to agree on in each of the four workshop groups, from the more definite set of policy recommendations. Every effort was made to report novel positions and approaches to manpower problems, even though these ideas often failed to produce any concrete recommendations from the group.

In the text that follows, the substance of three days discussion is presented.

# I. ISSUES AND ELEMENTS IN THE DESIGN OF A NATIONAL MANPOWER POLICY

## Introduction

This was the first of the three major topic areas to be considered by the conferees in the four discussion groups. Many specific questions were posed and from those were chosen the ones which elicited the keenest interest and most productive responses. Those reported below are meant to be representative of what transpired. The urgency of a full employment policy, and the advocacy of a much more active manpower policy in full partnership with monetary and fiscal policies, permeated most of the dialogue in the opening session. The conferees evidenced considerable sentiment that a rational national manpower policy could and should be enunciated, and they hoped to provide an input into that effort.

### A. What is Meant by "Full Employment" in Our Economic System? What Should Full Employment Mean as a Goal of National Manpower Policy?

There was immediate consensus that, whatever definition of full employment is adopted, the economy is far short of that goal. Participants were aware of the complexities of the issues surrounding the term "full employment". Many were arguing that it would be incorrect to measure full employment simply by looking at unemployment.

Most participants favored the view that full employment within the constraints of other high-level goals was probably in the neighborhood of 4.5% unemployment. Some sharply opposed specifying any figure given because the relevant condition, e.g., labor force participation rates, are constantly changing. One view which surfaced and endured throughout many of the workshops was that considerable slack now exists in our national economy -- we are operating at about 80 - 83% of industrial plant capacity. With optimal capacity utilization at around 91 - 95%, there is ample opportunity to apply traditional fiscal and monetary policy tools to raise the level of aggregate demand. Output could increase substantially without the concomitant expansion of capital goods. Furthermore, it was doubted whether any appreciable amount of labor market bottlenecks would be encountered short of 5.5% unemployment. Thus, there is considerable need and scope for immediate application of vigorous macropolicy.

Most discussion groups were willing to recommend a stronger version of the Employment Act of 1946. The Employment Act's emphasis on

"maximum" employment was the subject of universal ridicule throughout the four workshops. People seemed to want something more concrete, in terms of an actual numerical goal, and something operational. One participant stated, "Full employment should be our over-riding national goal - i.e., employment for everyone willing and able to work." Others balked at this as perhaps a bit too ambitious, although it is a noble high-level goal. If we were to aim at providing employment for all those who want a job, several serious issues immediately present themselves:

- What is the appropriate timetable to achieve this goal? One year, 5 years, or a decade?

- How is the problem of inflationary pressures to be handled?

- What kinds of complementary supporting policies are implied?

- To what extent will labor force participation rates increase with this policy implementation?

It was not surprising to hear manpower specialists decry the present 7.9% unemployment rates as unacceptable. Participants felt that before we can insure the success of many training and transition programs we need a vigorous, full employment economy. One session reported that, "No specific program for youth can be successful unless there is going to be a job at the end of the line, i.e., a genuine full employment economy." And a manpower policy was seen to have a key, pivotal role to play as a policy of demand stimulus is applied. Manpower policies which remove structural, skill deficiencies in the labor force, raising worker productivity, make it easier to pursue non-inflationary, expansionary aggregate policies. The decision to do so still rests with the Federal Reserve's Board of Governors, Congress, and the Executive Branch.

It was pointed out that the economy has produced a considerable increase in the number of new job openings in the past 18 months, but the increase in labor supply, especially for some segments of the labor force, has been even more rapid. The conclusion was that we are now faced with structural unemployment arising on the supply side rather than on the demand side. Some participants viewed our first task as one of concentrating on the unemployment problems of the more severely affected workers; namely, youth and racial minorities.

A problem that a full employment policy will have to face is variation in labor force participation rates. The effect of people "coming out of the wood-work" could be significant: people leave school early, leave domestic housework, etc., and re-enter the work force as demand stimulation opens up new jobs. One participant stated that, "About two-and-one-half million jobs open up each year. But at some wage level and with many jobs opening up, potential job claimants might be 5 or 10 million per year. We do not know." Other participants downplayed the potential increase in

participation rates. The social costs of unemployment, the dead weight loss of human productivity, the skills lost, the capital not produced, the permanent frustrations and disillusions instilled in youth, the crime rate, the burdens of unemployment insurance and transfers, and the taxes not collected from 5 to 8 million workers all add up to much more than the price tag put on a full employment program.

One group discussed the fact that one of the problems has been that efficiency in the private sector is defined as job elimination. As the discussion leader put it, "You become more productive by using less labor. The energy crisis may turn this around. Meanwhile, government policy may have a role to play in changing this scenario." It was pointed out that the use of fiscal policy, such as a tax cut, to get fuller employment does impact on the private business sector, where 80 per cent of the jobs are. Putting money in the hands of consumers stimulates spending which increases the sales and production of private business, and this in turn leads to more employment. There was widespread faith among participants, with some doubters, that with the right policy mix of manpower, fiscal and monetary stimulus, we could mop up the unemployment, or at least reduce it to 3 or 4 per cent. And as we move the economy toward full employment, participants urged that some equalization of unemployment rates across segments of the population be achieved as the overall rate falls. This was referred to as "integration of unemployment."

Conclusions

- Full employment is to be pursued with consideration of inflationary impacts. A numerical target for the maximum amount of inflation acceptable should be specified.

- A timetable to achieve the goal of full employment will have to be specified. There was total consensus that a reasonable time frame be adopted.

- There is now a significant potential for macropolicy actions to stimulate aggregate demand. Policy actions to reduce unemployment to 5 per cent overall probably will not do much to impact on the problems faced by special segments, such as youth.

- In pursuing a full employment goal, it is important to answer the question: Is it necessary to differentiate between the relative needs of various labor force segments, or are all "needs" equal?

- As we get closer to full employment it will be necessary to develop supporting services such as daycare, counselling, etc., in order to permit employment by all those who wish it.

Recommendation

- The federal government should establish full employment as an over-riding national goal. As a preliminary definition. full employment is defined at 97% of the labor force 20 years of age and over. (Probably equivalent to 4½% of the entire labor force.) Achievement of this goal would require:

  - A blending of fiscal and monetary policies in a manner consistent with the pursuit of this goal.

  - The systematic coordination of employment generating and labor skill modifying programs with other programs and efforts in the environmental, energy, housing, health, education, military, etc.

The preliminary recommendation defining full employment in terms of the adult labor force alone does not reflect lack of concern about the employment problems of youth. In a subsequent recommendation, youth are suggested as being treated as a special labor force sub-group and in ways expressly oriented toward their labor market problems.

B. What Should a National Manpower Policy Look Like and What is the Interface Between Manpower and Macropolicy? Should Specific National Priorities be Provided?

Participants had some profound observations on this set of questions. There was agreement with a view expressed in one workshop: "There is not a golden key that is manpower policy, that after it is once defined and adopted, then we can merely walk away from it as settled." An oft-repeated theme was that national manpower policy principles and objectives vary over time, and policy must be flexible enough to address a whole range of problems which vary with the business cycle.

Many participants argued that first, we have never had a National Manpower Policy, and second, we not only need such a policy but one which is elevated to a par with monetary and fiscal policy. That National Employment Policy is bankrupt was taken for granted. We have a lot of federally funded, fragmented programs, but not a national manpower policy. This fact was linked to the lack of leadership and coordination at the national level. It was stressed that we need a clear understanding of the interface of manpower policy with fiscal-monetary policy.

Consensus support was expressed that we cannot ignore part of the labor force and have a national manpower policy. The focus should be on everyone who is in, or potentially in the labor force, both public and private sectors. The discussion should be broad enough to take into account all segments of the labor force. Considerable discussion in one group was triggered by the statement, "We cannot just single out only one group, e.g., the underprivileged. Any person who is, or could be working, is the target. We can then vary the emphasis within a broad policy framework." That group went on to conclude that women, the young, and minorities should be considered just as important as any other group in our national employment policy. "To say, 'Oh, it's just a woman or youth,' is criminal." There was thus strong sentiment that we do not downplay the per cent unemployed of one group as "less important."

Other discussion sections did see a need to identify different groups. As one put it, "We must separate these groups in talking about manpower policy; otherwise, you are talking about apples and oranges." We would need to know this because the emphasis and resources should change from year-to-year, under some formula, as the economic environment changes. Policies trigger in and then trigger out as the economy changes. For instance, as unemployment drops our program focus on the disadvantaged goes up.

The issue of how a national manpower policy should affect a private-sector economy was raised. It was noted that capital-intensive tax incentives continue to make labor redundant. Participants pondered whether national policy should encourage a return to labor-intensive kinds of activities. This was left unresolved. Even more broadly, government non-action or non-intervention or negative actions was viewed as a form of policy. National manpower policy must tie into related other policies, and programs must be defined around a set of specific goals.

Another point raised was that we need to sort out the roles to be played at all three levels - national state, and local - in setting priorities and implementing a national policy. Some problems inherently must be solved nationally. An example was industry shifting to the Sun Belt, causing a dislocation of workers.

One view often expressed was that a national policy would not work without the active support and cooperation of the private business community - even if we could solve the relationship and responsibility between national, state and local levels. Regarding one program component, it was remarked, "CETA sponsors have no notion of the particular problems of private employers, and this has caused all sorts of problems."

Regarding the national policy framework, the question was raised whether CETA is consistent with a national manpower policy. "Aren't there as many policies as there are prime sponsors?" Other denied this position. National policy was broadly viewed as all federal government budget decisions impacting on employment and employability - if these

could be considered discretionary tools. Still others wanted national manpower policy to include vocational education policy, CETA, military training programs, vocational rehabilitation, employment service, WIN, etc., even though these diverse elements were not yet coordinated via the same legislative enactment. Policy design, coordination and implementation would thus be inherently frustrated by the myriad of different legislative mandates establishing these program elements.

Conclusions

- We do not have a national manpower policy. It is fragmented and not coordinated with monetary and fiscal policy.

- It was acknowledged that economic policy should be structured to implement manpower policy.

- Flexible implementation mechanisms are needed to permit accomodation to the fluctuations of employment in the national or local economy.

- Ways must be found to get both the private business sector's and organized labor's input into national manpower policy.

Recommendations

- Policy leadership at the national level is a necessary condition for an integrated manpower policy. This will require major institutional reform of the decision-making mechanisms at the federal level.

- In the development of manpower planning for full employment, it is essential to have the involvement of private (i.e., labor, management, consumer) and public (i.e., all levels of government) sectors of our society.

### C. In Alleviating Unemployment, What Role Should be Played by Job or Work Sharing?

Generally, work sharing options were seen as less desirable ways of solving the unemployment problem than were job creation options. One group spent some time discussing job sharing within the family unit. The idea here was that the home-keeper (he/she) share the earning responsibilities somehow on a part-time basis. The job-sharing plan involves trading off work between both household heads, with the husband and wife working on alternative days. This does not necessarily mean that it is the same job that is being shared, although it may be.

It was pointed out that this option assumes that the level of output in the economy is sufficient, and the problem is not one of production. Most participants thought that this ignores our present deficiency of aggregate demand and the need to raise the standard of living of many of our workers. More importantly, job sharing was seen as highly inflationary. It is a device which would end up increasing employers' costs. We are not going to get an increase in productivity by some method of sharing jobs. One participant reiterated that we are operating at 83% capacity in our present economy. "We do not need job sharing when we have opportunities to put people into full time positions and use that unused capacity." Another asked, "What about people who would like to share jobs or work part time? I think productivity is higher when you have a shorter work week." In stressing the full employment goal, it was suggested that we also pay attention to tailoring more permanent part-time jobs to the supply of part-time job seekers. There is a demand for these kinds of jobs that has been ignored.

Conclusion

- Policy should aim at creating additional jobs, rather than the more equitable sharing of existing jobs, as the top priority. Job sharing measures should be secondary.

D. How Can Public Initiatives Such as Training, Public Service Employment, Public Works Programs, and Private Sector Wage or Tax Incentives, be Designed, Coordinated and Implemented to Achieve the Full Employment Goal?

1. Public Sector Employment

Broad consensus was reached that public service employment programs are workable, but they should stress transisting workers to regular jobs in the private sector or permanent jobs in the public sector. And some conferees agreed that public service employment should be de-emphasized: "Don't create jobs by enlarging bureaucracies." On the whole, since most were familiar with and satisfied with PSE, they preferred to talk about some of the needs and missing program elements, such as standby projects.

2. Standby Public Service Jobs Projects

Conferees argued that manpower planners should have "on-shelf projects" which are ready to implement when the economy turns down. We should anticipate recessionary troubles, rather than reacting after the fact. "Thus, when we do have a recession, we are ready to go." Projects would have a beginning and an end, without long-term committments. This requires a standby system which can be geared up quickly to meet the inventory of local government's needs. In particular we would need:

- A careful plan, including an existing inventory of viable projects to be completed in a given time frame, along with pre-coordination.

- An assessment of complementary capital and other needs.

- To fund a planning effort that is a continual updating effort.

It was stressed in one group that public sector jobs projects will impact on the private sector. They improve sales and the business outlook. The view seemed to be that PSE projects would effectively prime the pump under certain conditions. The programs would not have to employ all the unemployed in public sector jobs as the economy picks up.

For other participants, the question of mechanics (how-to-do-it) remains unresolved. A standby program of jobs projects in the public sector is fine in theory, but one must recognize some absorption limits. "If you are forced to rely on only the public sector, it's going to be a tough job." Some examples were provided. For example, in one region a consortium director estimated that in his small area the program provided 450 PSE job slots at the height of that PSE program, but there were 10,000 unemployed people. Moreover, he reported that it was difficult to find 450 jobs that were well-designed, solid jobs. As he put it, "Standby is fine, but one could stand by an awfully long time trying to find such a large number of meaningful public sector jobs in a given community -- plus, this is a tremendous number of new people to supervise." The question then is, by adding a new component, the project approach, could you find additional well-defined, solid jobs in numbers sufficient to make a major dent in unemployment? If it is reasonable that one might be able to double or even triple the number of jobs, using the project approach, this would still leave most of the unemployed in his area without work.

3. Standby Public Works Programs

There was solid support in one group for standby public works as a countercyclical tool distinct from public service employment. The group favored publicly funded projects which could be accomplished by the private sector through competitive bidding contracts. The projects selected would be based on relative labor intensity, community benefit and the ease with which they could start up and wind down.

To avoid the criticisms of previous programs, namely that by the time they got off the ground the economy was already in the full recovery phase, the federal government should have a list of public works projects to be triggered by rising unemployment rates. These projects should be ready to go within 90 days. This would entail prior preparation of environmental impact studies, and a ranking of "what you could live without." This coincides pretty closely with the current public works program. It was the standby notion for the future that was emphasized.

4. Macro-Manpower Policy Interface

Participants noted, that even with the development of the standby approaches just discussed, we still wouldn't have a well-enunciated, anti-recession employment strategy. A macropolicy-manpower interface has to be forged in order for us to work toward an anti-recession employment strategy.

Practitioners and theorists in both fields have failed to relate to one another. They have compartmentalized and gone in separate directions. Manpower policy has always been relegated to the status of adjunct to monetary and fiscal policy. Macro and manpower policies need to work in lock step. We need a clear notion of the crossover: What does a given aggregate policy translate into in terms of a given distribution of jobs; conversely, what does a given distribution of jobs imply about aggregate policy? The calculus has gone just to numbers - the recession's impact on, i.e., manufacturing and contract construction. We need to relate these sectoral impacts to macropolicy formation. We may want to target government spending to specific lagging sectors or regions.

5. In What Direction Should We Move?

Assuming that the aggregate demand policy solves part of our problems, consideration should be given to:

- Tax or wage incentive to private industry to hire more people.
- A PSE program, under what conditions and how large.
- Public works programs and the needs of the American economy.
- Whether to tell the Defense Department not to close down bases in areas that will cause substantial unemployment.
- Whether to rely more on the private sector for training.
- Special regional needs.

These considerations were raised by participants. While these provided considerable discussion, it was virtually impossible to come to closure on a definitive set of recommendations. The regional issue was discussed at length in one session. The question was asked, what do we do about the Newarks, the Detroits, the declining cities of the U.S.? "We are always going to have problems in certain areas of the country. We ought to have a policy directed at depressed areas or areas of large scale unemployment or substantial and persistent unemployment."

Participants continually returned to what was regarded as the basic problem, the unskilled. Every day automation and technology is doing away with unskilled jobs by the thousands. Some kind of training and

guidance must be given to these people." Others quickly reminded the group that longer-term policy directions must recognize that worker attitudes and supportive services, including guidance, counseling and placement, will continue to be critical. Thus, ways must be uncovered to change the basic educational process.

6. Other Points Discussed

There were many broad policy issues raised in connection with the following questions:

- o How can we deal with the possible inability of the economy to provide meaningful jobs for everyone -- assuming we can attain full employment? Will many people be trapped in the secondary, crowded occupations? Specifically, can quality of life concerns be addressed in the full employment discussion? Perhaps if we looked at optional ways of securing full employment, one of the decision choices might be the differential quality of life outcomes. The well-publicized job re-design experiment underway in some manufacturing plants (the Volvo experiment in Sweden) is illustrative of the search for improved job satisfaction. Dr. Caroline Bell, Wellesley College, the closing speaker, developed this theme even futher when she suggested that manpower policy can be a social policy as well as an economic policy.

- o There was a concern that we may be overstressing training on the supply side beyond actual job requirements.

- o The allocation of our unused manpower in a full employment strategy, many argued, should be to our unmet social needs and not dissipated in the private sector.

- o Many had reservations about whether a job could be guaranteed to everyone.

- o Some programs, such as youth programs, to achieve success, should be available on a year-round basis.

One discussion group proposed that the National Commission for Manpower Policy could make a useful contribution to a more informed discussion by defining or re-defining more precisely terms in everyday use such as:

- Work.
- Labor Force.
- Employment.

- Unemployment.

And explaining the concepts from which these definitions flow, together with a discussion of alternative concepts, would be helpful.

Conclusions

- The public service employment program should continue to stress transitioning workers to regular jobs.

- There is a need to have shelf-ready projects of public service employment ready to implement as a counter-cyclical measure. These projects can provide quick demand stimulation while also providing vitally needed local government services.

- Public works programs can be designed and put on the shelf, particularly if they are the kind now being used in the accelerated public works program such as labor-intensive projects with a quick start-up feature.

## E. What Should Be the Relationship Between Manpower And Income Maintenance Programs?

Unemployment insurance, the conferees decided, should remain as a true unemployment (transition) insurance system. This would require the use of other devices for providing income during a recession. It was recognized, though, that in the current recession the add-ons to the unemployment insurance system through coverage of new workers and extending benefit periods was an important counter-cyclical action.

It was agreed, however, that we could do better than paying people to do nothing. While work was seen as the preferred source of income, the application of this concept quickly produced argument as some, for example, would resist any "downgrading" of an unemployed worker. Nor was there much support for forcing anyone to accept training as a requirement for UI benefits. Nonetheless, it was agreed we should try to integrate the unemployment insurance system into a manpower support program that would provide broad training and mobility assistance. For example, some of the twenty billion being paid out now could be directed to training through a voucher system. After a base period, 26 weeks was generally used, then a worker still unemployed could get a voucher good for another 52 weeks. These vouchers could be cashed by cooperating employers who would then provide training. While wages would be paid, the subsidy might be enough to stimulate employer cooperation.

Once it was agreed that job creation is the preferred strategy to use in fighting recessionary unemployment, the question was, jobs where?

Public sector, private industry, or where? Another question raised was "What about work expectations unrealistically created in our educational system?" The problem is, we do not now know what sorts of things need to be done in our economy. One group asked, "Where is the backlog of work - that's the key question." We desperately need an inventory of things which could be completed by the (a) public sector, and (b) private sector.

Regarding UI and welfare recipients, it was asked, "What targets do we serve?" An example was, people on UI are not adequately served, so this became a national problem - not just a collection of local problems. Many agreed that it would still be possible to let communities design programs to interface with U.I. In terms of defining groups to be served, the consensus was that we go back to centralization and the federal government for a priority ranking. For instance, sponsors could be told that "employables on welfare or U.I. are absolutely the first claimants." This would act as a signal to the local level to design programs to meet this ranking of claimants. In one workshop, considerable confusion lingered about how to relate priorities to the universe of need. Who determines which groups are most in need? What are the criteria? Many said, "The determination of need should be at the national level." It was argued that long-range planning, by prime sponsors for instance, might be more feasible if national policy priorities are set.

Consensus was reached that wage subsidies to private sector employers to hire unskilled could be an attractive startegy. There was pros and cons discussed. Subsidies would tend to:

- Reduce the marginal labor costs to employers, allow a fuller utilization or capacity, expand hiring, and have an anti-inflationary impact as some employers could now price more aggressively.

- Raise consumer demand.

- Increase tax revenue collected from subsidized workers by the federal government.

The disadvantages cited include:

- Bureaucratic red tape.

- Employers fearing administrative difficulties and federal government oversight might not participante.

- Jobs are often dead-end, low paying, with some notable exceptions.

- Employers prefer highly productive, low risk unemployed workers to subsidized workers; permanently ingrained hiring preferences are not broken; employers return to hiring low-risk employees after the wage subsidy program expires.

Conclusions

- As one discussion leader summed up: "Our philosophy is that you're going to create jobs when unemployment reaches a certain level, instead of triggering in more welfare or UI benefits."

- The jobs to be created are ones that need to be done. A study of these needs should be at hand.

- It was recognized that this goal raises a new problem: whether or not it will be required for someone to work and get off welfare. What will be done with people that do not want to work? It was admitted that we are never going to solve all the problems.

- Conferees concluded the pros of a work/employment subsidy or a fringe benefit subsidy tend to outweigh the cons.

Recommendations

- There should be a mandate to restore the UI system to its original mission of providing a transitional source of income and be an automatic, built-in fiscal stabilizer.

- UI monies supporting workers beyond 26 weeks should be reallocated to job creation and skill training programs in that sector where the payoff is greatest.

- Those for whom jobs cannot be created should be supported at a decent living standard via a more efficient vehicle, such as the negative income tax.

- A new wage subsidy program should be established. It would be:

  - Targeted to specific disadvantaged groups.

  - Long term, in order to generate a sufficiently effective training period and generate the necessary employer committment.

  - A program to require and subsidize training.

  - Aimed at a regular job as the outcome.

# II. EMPLOYMENT PROBLEMS OF YOUTH:

# IMPROVING THE TRANSITION FROM SCHOOL TO WORK

## Introduction

Participants looked to the federal level for an infusion of new directions, and of course funds, in order to improve the transition of youth from school to work.

On the other hand, no single bureacracy can have total responsibility for the youth transition. Any successful attack on today's youth problem will require the partnership of all levels of government, private employers, unions, public employment services, educators, parents and students. Participants in all four discussion groups were acutely aware of the impediments and vested interests which make such a partnership difficult to establish. Nevertheless, the conferees were instructed to make specific recommendations and ignore for the moment the specific details and problems of implementation for each proposal.

Participants viewed the transition problem from manifold perspectives, and offered a rich array of thoughts for things to try and policy directions to take, many of which are reported below. The federal government's role emerged as that of facilitator, stimulating a variety of innovative projects and uniting necessary entities at the local level to attain the critical mass required for constructive change. While the federal level can enunciate and delineate the problem and provide increased funding, considerable flexibility will have to be provided for local design and implementation of new or improved school-to-work programs. The leadership role, and a cataloging of what might be tried and what has worked (including expanded demonstration projects), was viewed as a task for Washington.

### A. What are the Factors Which Contribute to the Serious Youth Unemployment Problem?

Discussion got underway as conferees identified the following factors which contribute to youth unemployment:

- Youth are not prepared for work. Youth are unable to live within rules or regulations. Schools do not provide job-related education.

- Youth have to compete with adult members of the regular labor force who are unemployed.

- The pattern in life over the past several decades has changed from rural to urban.

- There is both ineffectual career counseling at schools and lack of communication between manpower and vocational education programs.

Participants asked many questions which illustrate the many dimensions of our youth problem. Is the problem the result of:

- A very bad school system?

- An ineffective vocational education system?

- A minimum wage which is set too high?

- Outright discrimination by employers against youth?

- The fact that many youths are over-educated and we have too many college graduates.

- The fact that youths get very poor and inadequate of perhaps no counseling at the elementary and secondary levels?

- The fact that the school system simply is not geared for preparing people for the world of work?

- The fact that there just are not enough jobs to go around?

The most dominant theme of one session was the preeminent need for a sufficient number of jobs. It was generally agreed that no specific programs for youth can be successful as long as the economy is experiencing a shortfall in jobs. There was also agreement that integration and coordination of spending plans for all funds in the youth area are desirable. This general discussion of factors served an important function as an introduction. There were no conclusions arrived at, however.

B. Should We Have a Special Categorical Youth Manpower Program?

The conferees discussed the notion of disaggregating youth from the balance of the labor force. The consensus was, that the employment problems of youth are different from those of adults; this would suggest the need for a special manpower policy for youth.

There was general support for the notion that the existing summer support program should be transformed into a year-round student support program with a school-to-work as well as a work-to-school emphasis. Such an extension would provide for more meaningful use of funds by providing better lead-time planning

Much conern and discussion centered on the question of what and who are youth? One group asked, at what specific age group should we target our policies? Participants questioned whether there might be more than one problem in regard to youth, and therefore more than one solution to anything called "a youth approach." For example, should all youth be lumped into one category, i.e., the high school drop-out and the college completer? Would they both fit under the same umbrella of a national manpower policy?

The discussion then moved to the two-tier policy approach to the age range. For many, it was important to recognize the significant differences between the 16 to 19 year age group and the 20 to 24 year age group. The younger group requires more orientation and structured opportunities, such as work study, to begin the process of transition to work. The older group probably has more experience and hence is more likely to fit into full-time employment if the opportunity is there.

Many focused on the wide differences in needs and opportunities between the ghetto youth and the affluent youth. High rates for affluent suburban youth are not really a social problem. These youth go in and out of jobs as part of their career experimentation. Labor market policy may not be needed here, as unemployment for this group is a product of voluntary choice. It was said to be a net gain that our society permits youth to make these choices. On the other hand, "Inner-city kids that are not affluent do not have the option to opt in and out of employment in order to experiment." We ought to be extending the same choices to inner-city youth. If we pursue these insights, then employment policy for youth would, in fact, turn out to be quite different from employment policy for adults.

Dr. Ginzberg, Chairman of the National Commission for Manpower Policy, visited some groups and raised some other interesting questions: "We are spending two billion dollars on people under the age of 22. What kind of youth do you really want to worry about? Is there a way of helping the American people understand the prices they are paying for a bad transition? To what extent is the increasing participation of women who are full-fledged citizens of the United States really a competitive group with the youth and how do you want to sort that out?" The reaction was that we do need answers to these questions. It was acknowledged that the increase in the labor force participation rates of women was a force acting to displace youths in the labor market.

There was considerable debate about how to implement a special national effort to address the serious unemployment problem encountered by youth, especially minority youths. At issue was was whether the problems could be tackled at the local level. This might involve setting a first priority through CETA. Local government then could design the best delivery system and locational differences in youth unemployment be accounted for. Others disagreed and wanted both the funding and implementation at the national level in terms of a newly legislated program which specifies the mix of services. All seemed to agree that, whatever approach is to be taken, coordination among all human service delivery agencies impacting on youth at all levels must be mandated.

Conclusions

- Youth employment problems are different from those of adults.

- Out-of-school youth, in the labor force, should have the opportunity to work.

- Youth have been displaced by the growing numbers of women entering the labor force.

- Summer youth programs (or short-term programs) are not the best use of the resources. Better training could be done in year-round programs for youth.

- A national strategy for youth with increased federal funding is necessary. However, any monies earmarked for youth should be given with enough flexibility for states and local governments to design their own programs.

Recommendations

- It was agreed that at least the 16 to 19 year old group required a distinct program since their needs and problems are significantly different from those of the adult work force.

- A special program should also be designed and implemented which focuses on the 20 to 24 year old group.

- A new national program with more federal funds should be introduced to reduce the unemployment of youths. There should be built in enough flexibility for states and local governments to design their own programs.

- Congress should explore the possibility of setting up a special program which would permit youth to explore careers, lifestyles, etc. This would act to prevent a premature entry into the labor force by these youth. The program would also equalize the opportunities for this career exploration between poor and non-poor youngsters.

Recommendations on ways to involve the private sector, improve the transition and reduce the youth unemployment rate are discussed below in various sections.

C. What are Specific Ways to Improve the Transition of Youth from School to Work and to Reduce the Youth Unemployment Rate?

1. Making education more relevant to the job market

Participants argued that our education system deserves a failing grade for its ability to prepare students for the world of work. Many conferees sympathized with the teenagers' view that school is merely a

waste of time, and that most courses (especially the vocational courses) are obsolete or irrelevant to the real world. To many, the failure was attributed to the inability of the schools to develop the reading and writing skills essential for most jobs. The time is at hand to explore alternate means to make all education more relevant.

To extricate ourselves from this morass will require re-thinking of the whole educational process, including innovations and inputs from government educators, manpower planners, unions, businessmen, and youth themselves. As one participant best summed up the views, "Let's make school a place where youths think they should be, rather than where they have to be." There was a lengthy listing of all the things which are wrong with our present schools. There was much debate over whether any reform could be left to the school system itself, or whether re-direction should come from external sources.

Conclusion

- Within the broad framework of the broad policy framework listed below under recommendations, school districts and other local providers of education, and with maximum involvement with students and their parents, should have maximum flexibility to design appropriate programs.

Recommendation

- Systemmatic procedures to improve the link of school to work and make all education more relevant to the job market should be pursued including:

  - Regular provision of relevant labor market information to school counselors, teachers, and administrators and in turn to students faced with career choices.

  - Provision of work exposure programs to students - particularly at the junior high school and entering high school level - to enhance their career choices.

  - Provision of a regular program of work-site visits.

  - Establishment of a program of part-time and paid internships for in-school youth who reveal demonstrated aptitudes.

  - Establishment of a program of full-time paid summer internships for in-school youths.

  - An analysis should be made of the growing supply of BA, BS, MS and Ph.Ds to determine whether that supply is consistent with forecasted market demand for these degree holders. The analysis should reassess the priorities in career options and directions.

2. Career Awareness

Early career awareness is essential and participants strongly agreed that we should have much more career education. But conferees could not reach agreement as to the meaning of "early". Some said, if you did not start by the time the student was ten years old it was too late. For others, it was seen as a waste of money to begin before the freshman year of high school.

In this context, participants favored work study and internships. One suggestion which won favor was to increase career awareness in non-traditional ways: via well-developed internship programs, tailored to local labor market needs. It was emphasized that this approach does not create any net new jobs, but does reduce search costs, search time and allow experimentation. It could help reduce high quit-rates among teenagers by letting them do a bit more shopping around before graduation. This would ultimately reduce unemployment rates and the private search costs of both worker and employer.

Work-site visits were also acknowledged as a helpful way to acquaint students with career possibilities. These, too, should begin early and be a regular curriculum feature.

One innovative approach in California was the Open Roads Project in Santa Barbara. This is a highly successful project funded from the CETA discretionary money allocated to the Governor. The project is an internship undertaken by students who are near high-school graduation, based on a big-brother contract between the student and business. There must be a real work experience and stipulations are placed on what experience counts as acceptable for the internship. Students are paid the minimum wage.

Participants argued that high schools make insufficient use of labor market information in both academic counseling and vocational counseling based on relevant labor market information. They felt much of this chore presently falls upon the teacher. This creates many problems. It was stated, "Teachers haven't been workers or counselors and don't have any idea what the world of work is all about - they've spent most of their life trying not to find out." It was agreed that we need counselors and teachers who can advise youth about what they are facing in real life in terms of job opportunities.

Participants also believed that rational policy requires as its prerequisite that we have data on i.e., what is now being spent in-school on career education. One guess was that it's less than $5.00 per student per year. A strong distinction was urged between career education and vocational education. These should be defined in national policy, and the cross-linkages desired as a national goal be firmly enunciated.

Conclusions

- Schools need to include among their goals, the need for career awareness.

- School personnel will have to learn more about the world of work if they are going to effectively help their students enter that world.

- There are a variety of specific program options, ranging from work-site visits to internships that would assist in developing the student's career awareness.

Recommendations

- Teacher training institutions should provide required courses dealing with labor markets and labor market information. In addition, teachers and counselors should attend periodic seminars to be re-educated on changing labor market conditions.

- It should be the responsibility of the school system to provide exposure to different kinds of occupations. Information concerning the requirements of and opportunities in various fields should be presented much more realistically than at present. Counseling must be improved at the high school level.

- A re-examination should be made of the allocation of our national and state education resources to ascertain if there is a proper mix of emphasis between academic degree orientation as opposed to technical or vocational orientation.

- The National Commission for Manpower Policy should develop an inventory of resources going into each career education program segment across the nation.

3. Business Sector Involvement

Participants declared that policies should be developed to raise the involvement of private sector employers (and unions) in curriculum development to improve the job relevance of education. There was support for overhauling vocational training programs and courses so as to orient students to the regimen of the workplace and to an understanding of basic business principles, such as accounting. And we should make sure students are trainable by the business sector i.e., know the "Three R's." Others added that exploration of apprenticeships should be part of the school system.

Conclusion

- In short, there was a call for more imagination. Some of the innovative inputs and commitments must come from the business sec-

tor. Business will have to re-examine job definitions and schedule requirements. Part-time and split jobs may play a bigger role than originally envisaged. The Administration should focus in on incentives and dis-incentives affecting the growth of private sector job creation. Work study and apprenticeship programs should be expanded. Otherwise, there is little hope of cutting unemployment and providing jobs for new entrants. It was agreed that jobs will have to be created at the rate of 2.5 million per year through 1980. Many of these will have to be created for youths. As one example of creative thinking, at one of Du Pont's plants, a regular work force is on the job five days a week; but on weekends, the plant is run largely by in-school teenagers. It was agreed that the private sector can play a larger and more imaginative role in making the schools become more relevant.

Recommendations

- Ways should immediately be found to involve the business sector to:

  - Play an actual education role in schools -- as visiting lecturers.

  - Advise on re-design of existing programs, including vocational education and career opportunities.

  - Design new curricula.

  - Implement work-site visits and internships.

  This would help meet the need for a better transmission of information on job opportunities for youth in the business sector.

- Private sector employers should be given technical assistance on how to deal with youth and how to provide career development to young people.

4. Vocational Education

Participants indicated that general education and vocational education programs need to be tied together. There was considerable dissatisfaction with vocational programs. One group suggested that manpower programs ought to be made remedial to compensate for the inadequacy of job training in the public schools.

The facts are, as one participant noted, that "Presently about $5 million per year is spent in vocational and technical education in California. No one has any sense of where these resources are going. We

have no ability to rationalize it. For example, something like 20-30% is targeted to lower skill training types of programs for high school graduates or potential dropouts; the rest is going to college-bound kids. This is very inefficient in an economy where only 20% of the jobs require a college degree."

There was debate over whether the Vocational Education program should be taken over by the Department of Labor. The "Voc Ed shift" was viewed as a highly sensitive area. Some participants proposed an alternative; namely, that Vocational Education be placed directly under the authority of governors. This would dovetail with shifting the control of the Employment Service to the governors. In this way, it was argued, we could avoid many of the program shortcomings which result from lack of coordinated planning.

Participants wanted to include the responsibility of CETA prime sponsors and other community agencies to inform the schools on how their programs are providing vocational education to young people.

Still others wanted to solicit inputs from youth on vocational education, on how to deal with the school-to-work transition problem and the problem of youth unemployment.

5. Are the Present Entry Patterns Desirable?

One workshop asked if youth should be discouraged from premature entry into the labor market. They were unable to decide what "premature" might mean. Certainly they did not support the idea of keeping students in school longer so as to partially reduce the teenage segment of aggregate labor supply. In fact, it was noted we are already keeping many in school too long, as we now have too many higher-degree holders in many areas which are irrelevant for available jobs.

On the other hand, it was felt that programs designed to insure early entry into the permanent labor force might involve risks. Premature entry might lock a youngster into an inflexible career; those most likely to be unable to benefit from experiments with alternative careers and life styles will probably be disadvantaged people. To avoid this class-system result, programs should promote equal opportunities for career exploration among all segments of our population.

It was asked, "Aren't there too many kids going to college when they really don't want to go?" A participant reported that in California's education budget, "80% of all our post-secondary education dollars are going to support the academic education of 20% of our post-secondary students. Conversely, 20% of our post-secondary dollars are going to vocational education. These are some dimensions of the problem."

6. Market Impediments to Youth Employment

An underlying theme was the feeling that youths' problems arise primarily because of a lack of a strong advocacy group at the local level. The various impediments to youth employment which arise on the demand side of the market include institutional barriers, employer disincentives, and stereotypes. These impediments were discussed but not too many policy recommendations were forthcoming. There was agreement that the impediments stressed by the dual labor market theorists are very real and should be considered.

Conclusion

- There is not enough real information on the nature of and severity of market impediments.

Recommendation

- The National Commission for Manpower Policy should consider cataloging and ranking the magnitude of the extent which the following provide barriers to youth employment:

  - Child labor laws.

  - Personnel policy.

  - Payroll assessments, insurance provisions, and unemployment compensation.

  - Employers' stereotype of the instability of unmarried youths.

  - Minimum wage laws.

  - Union apprenticeship programs.

7. Private Employer Incentives

Participants wanted to know, "How can we make it profitable for private industry to hire youths, especially disadvantaged youths?" There was considerable interest in providing stronger real pecuniary incentives to the private sector to hire 16 to 20 year olds. A consensus called for some form of employment subsidy. There should be some sort of tax forgiveness or wage/fringe subsidy for career-type regular job provision in the private sector.

Most wanted the effective wage costs reduced by government underwriting of all fringe benefits paid by the employer who hires a specified young worker. Virtually no support could be found for a reduction of existing statutory minimum wages for youth - even if this would have a positive employment impact. This was viewed as "returning to the 1930's."

Conclusions

- Many new jobs for youth would be created from wage subsidization. A possibility is fringe benefit subsidies with some strings attached. Participants did not recommend subsidizing service stations, the fast-foods industry, etc., where the wage level is at, or close to, the minimum and the industry is already hiring substantial numbers of youth.

- Some guarantees against substituting youth for any other workers must be built into any wage subsidy program.

- The subsidy must be time-specific -- long enough, but not indefinite. It was unanimous that the youths be covered for at least one year, and perhaps two as in England. Many CETA programs are limited to three or six months merely to reduce per-enrollee costs, thereby looking good on paper.

- Employers especially must be provided with reassurance that programs, once in place, will be around for a while before they will buy into them.

Recommendations

- Congress should provide time-limited federal subsidies or tax credits for employers with the following design elements:

  - Emphasis is on reducing the wage cost burdens of fringe benefit payments such as social security, unemployment insurance, health benefits, accident insurance, etc.

  - These incentives should be provided only as part of an agreed-upon plan for the potential advancement of the youth hiree.

  - In no way should this approach be considered as an alternative technique to be used to by-pass the permanent work force in the filling of job openings.

  - Such subsidy should be long-term to minimize abuse and turnover.

  - Consideration should be given for hiring targeted groups of unemployment so there will not be displacement of labor.

  - Such a program must be coupled with efforts to expand employment so there will not be displacement of labor.

  - Stress is to be laid on receiving obligations from employers. There must be some arrangement built in for some upward

mobility or advancement. The job slots to be wage-subsidized must be over and above the firm's "normal" work force.

- The minimum wage should not be lowered for youth. Dissent: There are possible job opportunities for youth with small employers who cannot pay minimum wage. Lowering of the minimum wage for youth would open these job opportunities.

8. Planning

The discussion in one session evolved towards the final conclusion that the planning of growth is essential if success is to be achieved. As the discussion continued, it returned time and again to the dead-end of how to break out of an existing predicament, and agreement was reached that new concepts of leadership are needed to define new areas of employment in human services as well as in the private sector.

Long-term business and defense planning have been accepted as normal aspects of our economic life. Since the 1960's we have accepted the notion of ad hoc planning for the poor and the disadvantaged. The time has come to accept the challenge of creating job and economic growth through national planning to achieve the full employment goal set out in earlier deliberations. The establishment of goals and objectives which we want to obtain is essential to deal with full employment in general and the problems of youth employment in particular.

At the end of that discussion, there was general agreement that we can revitalize our system only if we actively participate in planning its growth by delineating goals for new jobs in given fields (i.e., human needs, energy, and transportation) and then follow up to assure that these goals are met.

Conclusion

- The time has come to accept the challenge of creating job and economic growth through national planning to achieve the full employment goal. The establishment of goals and objectives which we want to obtain is essential to deal with full employment in general and the problems of youth employment in particular.

Summary

Our economy was conceded to be anti-youth. Conferees acknowledged that there needs to be a special bureaucratic advocacy group to promote programs designed to help youth. The desire to move in the direction of increased career or work-oriented education was apparent in much of the participants' dialog. This was viewed by conferees as necessitating an increased flow of local information on careers, jobs, and employment trends. Participants, in summary, decried the lack of information essential for counseling, career guidance services, placement and curriculum

development, and further, the lack of qualified professional people to utilize such data should it miraculously become available tomorrow. No one had any specific ideas on how to obtain current, accurate career information at the local level.

The availability and feasible use of pertinent information to aid in transitioning youth requires a substantial new policy thrust. Communities must be given help and technical assistance in marshaling and coordinating their resources.

The interface between education and the world of work was seen as extremely complex with many unknown parameters. We may have to start at square one, since schools seem to fail to provide even a mastery of the basic cognative skills. And, increased availability and use of pertinent information to aid in transitioning youth to work was merely one facet of the nation's needs. Consideration was also given to career education and opportunities for out-of-school youth, and the special problems of rural and minority youth. It was not argued that career education or the expansion of work-study is a panacea for all the problems of youth. Improving education is a necessary but not sufficient answer in an economy with a permanent shortfall in jobs. The problem of an adequate growth of good jobs for youth will continue to plague us unless we are both successful in the effort to break down various institutional barriers and we adopt a full employment policy.

Conferees specifically considered the routes to the world of work and isolated three alternative approaches or bridges. In the process, they drew useful distinctions between:

- Disadvantaged teenagers and non-disadvantaged teenagers.

- In-school programs vs. out-of-school programs.

In summary, conferees were willing to explore various institutional constraints to a smooth transition from school to work. Emphasis was placed on more than one route, that is, the need for intermediate transmission belts to bridge the gap between school and the world of regular employment on a full-time basis. At various times participants proposed three distinct bridges:

- The wage subsidy to employers; this is a non-apprenticeship training entry route.

- The school-based, work-study or internship route.

- A National Youth Service Corps (NYSC) approach.

Participants believed that the third approach might provide an innovative supplement to the other two channels. One idea is that an NYSC would replace the old role played by the army in providing males with an intermediate experience. The NYSC could be viewed as an amalgamation of the Peace Corps, missionaries, the army, etc., in skill-and-maturation building for youth engaged in non-market activities. This approach was considered as a way of building in the maturation process while producing a socially useful product. Specifically, these NYSC projects could be directed to enriching of social services such as:

- Enhancing the care of our aged and infirmed or handicapped.
- Peer-group tutoring, especially remedial or catch-up.
- Guards on municipal transit systems.

## III. MANPOWER PROGRAMS AND SERVICES - STRENGENTHING THE INFRASTRUCTURE

### Introduction

Rapid changes in legislated programs and their requirements have introduced many difficulties - nothing stays put long enough for infrastructure problems to be ironed out. And, in the Western Region, specific horizontal linkages in manpower delivery vary widely. Politics, institutions, and customs differ notably from state-to-state. This made generalizations and recommendations difficult.

Discussion of the Programs and Services area ranged from philosophical questions to the nuts and bolts of local programs and linkages. Participants felt that we have come a long way in the manpower delivery thrust. However, we still have a distance to go in the delivery of manpower services through continued reliance on:

- Decategorization and decentralization.
- Better state and local coordinating and planning.
- Better local labor market information.
- Strengthening of the Employment Service.

There was considerable anxiety about retrogression to the days of centralization and categorical programs. The creeping recentralization discussions was engendered by the paper written by Robert McPherson, Director of the King/Snohomish Manpower Consortium, Seattle, Washington.

The recommendations included in this section range from some fine-tuning to major changes in the infrastructure.

A. Are the Concepts of Decentralization and Decategorization Proving Valid? What Problems and Weaknesses Exist? Is Revenue Sharing in General a Good Idea? Will National Goals be Achieved?

This area provoked a considerable amount of discussion in the four workshops. There was a strong consensus that the manpower service deliverly system is better now than it used to be under MDTA. There were many positive statements about the desirability of revenue sharing if safeguards could be provided to insure that federal aims and priorities would not be ignored. It was believed that national goals could be met within the framework of a decentralized system. National priorities and goals could be provided from the top-down, whereas design and implementation could effectively be provided from the bottom-up.

There arose a strong thread of concern about accountability and standards of performance. There was no spokesman for the view that shared revenues be made available to state and local governments with no strings attached, no oversight or guidelines. It was acknowledged that "putting the money on the stump and running" would be disastrous. A more realistic set of approaches to revenue sharing and CETA was said to involve two alternatives: (a) the creation of a super-agency via new comprehensive legislation to administer all human resource programs from the federal level, or (b) a renewal of efforts via new incentives to coordinate manpower and related social service programs. Whatever direction will be taken, it was continually emphasized that as yet CETA may not be the proper testing grounds of revenue sharing as a concept. The CETA approach is too new, and because standards of performance are increasingly dictated from Washington, decentralization cannot yet be tested fairly.

Although participants believed that national goals need not be compromised under a decentralized system, there was still the problem of flexibility to deal with. Decentralization seemed to make sense, but there was one recurrent question asked; namely, whether or not you can have a set of national priority goals, ones that might change from year to year depending on the economic circumstances, effectively pursued through a decentralized system. There are areas of conflict in bringing national priorities and local priorities together - areas which vary over time.

The question was raised, what is the appropriate role of the federal and/or state governments? Should the appropriate role for federal government be to articulate principles the program operator has to live by? Should the policy role be more prescriptive in the kind of program mix desired - deal with e.g., energy-manpower problems? It may be desirable

from a national viewpoint to have prime sponsors use the resources at their disposal to prepare human beings to work, for example, in energy fields, or shipyards around the nation - areas not now in prime sponsors' jurisdictions. As was emphasized, we are attempting to focus available resources in something called the manpower business on some of the things that are of major national concern. This entails a serious policy question: In a decentralized delivery system, can we discipline that system to respond to problems that are larger than the ones manifested within one particular political jurisdiction? Apparently many felt there would always be some need for a centralized, categorical component within manpower programs to contend with problems that are larger than local scope.

1. Recentralization

The McPherson Thesis triggered considerable discussion and received a favorable reception and was generally supported by the conferees. An issue was whether or not the intent of Congress to decentralize program decision-making under CETA had been de facto subverted. One prominent view was that CETA was definitely not revenue sharing, nor was it the intent of Congress to decentralize all manpower decision-making. McPherson went even further and asked whether CETA was indeed even a testing ground for the efficacy of block grants. Instead, he argued it was more accurate to regard CETA as one event in a series of events. Each of these has different effects in intergovernmental relations. The specific arrangements used between various levels of government is a function of the particular method of providing financial assistance. Four kinds of assistance have emerged: (i) grants-in-aid, (ii) block grants, (iii) special revenue sharing, and (iv) general revenue sharing. The way money is passed from one level to another was said to affect or determine the relationships between governments. If the objective is to give up power at the national level, it is for the purpose of securing more flexibility at the local level.

The conferees felt that CETA is essentially a modified block grant method of providing financial assistance. Some flexibility was transferred to state and local governments with the intent of inserting the elected offical into the decision-making milieu, the planning process. This effectively severed the direct relationship between the Department of Labor and the project deliverers. About 10,000 organizations with direct contacts with DOL suddenly found themselves with the prime sponsor inserted between them and DOL. The change that came with this decentralization, the conferees concluded, was being threatened by tendencies toward recentralization.

Titles II and VI of CETA are categorical block grants, not clean block grants. Title III (Special Federal Responsibilities) allows some funds to end up in the hands of local prime sponsors, but most is federally directed, national categorical contracts, i.e., grants-in-aid.

So, the question was posed, where is the flexibility in CETA in terms of a revenue-sharing concept i.e., the block grant? There is some under Title I: 80% of that money comes to state and local governments with the basic flexibility of a block grant, and to examine the opportunities that CETA has had to restructure intergovernmental relationships. This was what McPherson studied, and his findings were generally supported by the conferees. What did an examination of Title I reveal? They agreed that after CETA was enacted, as the regulations were written and subsequently implemented, one central trend emerged (not unique to CETA): As one major level of government gives up power and transfers it or another level of government assumes power, we see that immediately after the power or flexibility is given, the giver then regrets what is given away, and begins to move toward regaining or retracting the power lost.

These were observations on a general intergovernmental model, but CETA was seen as a clear-cut reflection of this model. Over the past two years, the U.S. Congress or the National Office of DOL through its Regional Offices has made a general move to take back some of that flexibility given to state and local governments.

2. Examples of Recentralization

The conferees heard three examples put forth to document the recentralization thesis: First, there is a move in the PSE area. It was argued that, from the beginning we did not need all the various titles of CETA. If one were seriously concerned about block grants, no Title II as a separate title would be needed. It would have been provided as allowable under Title I. Public jobs began to be categorized. And Title VI could have likewise been put in as an amendment to Title I or II. The point that was made, was that Congress is beginning to say more and more about public job programs, and exactly how a prime sponsor shall administer these kinds of programs. The legislation is answering the question, who should be served by the prime sponsor. This is done by specifically spelling out eligibilit criteria. This was discussed as an observation for the record only; there was no clear reaction among the group as to whether this was the right or wrong drift for policy to be taking.

The second point in this connection was that, in the administrative decisions reflected in Employment and Training Administration directives, one detects a growing concern about: (i) uniformity, (ii) national standards, and (iii) the Congressional intent or federal role. Some conferees noted that over time one can observe a definite move toward less flesibility at the state and local prime sponsor level.

The third example taken up by the participants was the 1977 Federal Implementation Regulations of CETA as issued in 1976. These regulations will establish a set of national performance standards. These national performance standards will be used to measure local performance. This is viewed by some as another step back to the categories, another step back to less flexibility in the system. This was the final point raised concerning the recentralization theme. To one participant, it meant "someone on the Potomac is saying, 'We have a better perception of what the manpower needs of the local community are than the community itself,' and maybe they're right."

3. Accountability

This issue was raised repeatedly by the participants; the need was stressed some accountability in the CETA system. In one group there was a lengthy discussion which dealt with the need to develop and put into place procedures providing public accountability for prime sponsors under CETA. Such a procedure does not exist now but would greatly assist in the accumulation of data needed for subsequent review of CETA programs. The procedures might reasonably involve ETA review and disclosure. There was no disagreement about the need to develop such a public accountability system. As mentioned above, concerns were expressed over the problems of establishing performance standards. There was apparent consensus that any such procedure and related performance standards should be developed in consultation with prime sponsors and that standards utilized should recognize local variation in population characteristics and labor market problems.

Conclusions

- CETA never was a block grant, except in a modified form under Title I.

- Instead, we have four or five different kinds of programs funded under CETA. CETA is not revenue-sharing; this was not the intent of Congress.

- Power is being recentralized under CETA - shifting back to the federal level.

- There is a conflict in bringing national priorities and local priorities together, and this varies over time.

- Under the dozen previous years of manpower programs before CETA, evaluation studies showed generally favorable results. Programs the DOL operated were at least cost-effective. The question eventually

was raised as to whether decentralization might not increase the rate of return. The delivery system under CETA is a lot more coherent than it used to be.

Recommendations

- National manpower goals should be provided, with planning and implementation of these goals carried out at the local level in all but exceptional instances. Certain manpower problems may be inherently national in scope, or not lie within any specific prime sponsor jurisdiction. In these limited situations than, planning and implementation from-the-top-down may be necessary.

- Program accountability to federal agencies should be pursued in a way to preserve the maximum feasible degree of local prime sponsor flexibility in decisionmaking and planning the appropriate program mix.

- Evaluation measurements are necessary but they should be developed jointly by federal, state, and local staff people.

B. What Do You Think the Decisionmaking Framework Should Look Like? Who Should Decide Who is to be Served in the Manpower System and How Should This Decision be Made? How Would You Implement? How is Implementation Working in Practice?

It virtually impossible to encapsulate the broad-ranging views of such a diverse group of participants who expressed themselves on this topic area. What follows are various ideas which surfaced and were laid on the table to elicit responses from other conferees. As will be readily apparent, the thread of consensus on the merits of these suggestions was often thin indeed. However, the ideas below uniformly provoked an aminated discussion.

Many participants were in agreement that it makes sense for the federal government to provide the revenue and the broad national policy framework. Specifically, it makes sense to (a) decentralize the administration of federally-funded manpower programs to local areas, (b) provide for a broad federal framework of goals, but with planning done at the local level based on a given labor market area--the federal government should contract out, but not operate, design, plan, or run programs (with few exceptions). Also (c) programs ought to be lodged at state and local levels with prime sponsors who in turn contract for service delivery. Monitoring and evaluation should not be handled by deliverers of services, and (d) accountability for performance should be shared with elected officials at all levels with shared oversight from the funding source. This assumes the desire for an "honest decentralization of programs."

1. The Fox Guarding the Henhouse

In other words, it was argued that once a manpower funding appropri-

ation was made, that revenue should be shifted to some entity (some jurisdiction) at state or local levels. That entity should do the local policy development within the specified national framework, but that entity should not deliver the services. That entity should contract out for services delivery, and simultaneously, be charged with monitoring and evaluation of contractors' performance. That entity in turn is to be responsible to an elected official. In this regard, one prime sponsor reflecting the general view pointed to what was called a basic defect in the CETA legislation, specifically the defect which exists in Title II and VI. In his words, this defect "amounts to the fact that local government, that is, a prime sponsor, is responsible for all manpower program delivery under these titles, they contract back with themselves - and that's a real problem, because you're in no position to. You find for instance, the mayor is in one case the prime sponsor of the Planning Council, and the next time you see him, he's on a subgrant agreement. This is the basic defect."

2. Employment and Training Impact Statements

Moving to another focus of concern, a lengthy discussion centered around the necessity of requiring employment impact statements analogous to the presently required Environmental Impact Statements. Participants frequently echoed Dr. Ginzberg's observation, made at the opening of the Conference, that virtually all Congressional budget decisions impact on manpower. Comprehensive manpower policy will require this vital input of information if it can ever hope to have sufficient lead time to plan flexible policy goals in an ever-changing environment.

This was a proposal which received considerable, if not complete, participant support. One discussion group developed this theme by suggesting that each agency provide in its program and budget documents an estimate of the employment impacts of the program and budget expenditures. One caveat was interjected by the group: it was not proposed that the Employment Impact Statement be imposed as a means of stopping any given program, but only as a device to make sure that the implementation for the planning and developing of the personnel required is there. The distinction was this: we want at the time budgetary decisions are made to make sure that sufficient provision is made to work out the manpower implications of that budget so that proper comprehensive planning can be done.

It was pointed out that there already is some precedent for this approach. Some courts are expanding their interpretation of the Environmental Impact Statements to include such questions as: (a) how many workers are going to be put out of work? (b) how many new workers will the program require? and (c) is that skill pool available in the affected area?

Thus the proposal was that all legislation be reviewed for its manpower implications, training needs, who will be benefitted, injured,

etc. "If you're going to spend the money for this area, think from the beginning about the employment impact, rather than later on." One participant asked, "Who is to receive the proposed employment and training impact statements, and what will be done with them?" "Where is your mailbox: is it DOL, the Congressional Budget Office, The Office of Management and Budget, a new federal agency?" Most felt that the mailbox dilemma was not posing an insurmountable obstacle, and it was desirable on the face of the evidence to increase the amount of available information to planners at whatever the appropriate level should turn out to be.

3. Planning Jurisdictions

There appeared to be some sentiment that steps be taken to insure that the jurisdictional boundaries of the prime sponsor not be defined along political lines, but be drawn to circumscribe the relevant local level labor market areas themselves. This would force or at least foster a wider area of effective planning and coordination within meaningful, not artificial, areas of local labor markets; certainly more consortia of prime sponsors and less mayorial and county executive power is implicit in this theme. There was debate as to whether this would be a feasible direction to recommend, given the way the political turf is protected.

Conclusions

- A broad national manpower policy framework should be provided at the federal level.

- It is desirable to continue the effort to decentralize the administration of federally-funded manpower programs to local areas.

- There are still some basic defects in the CETA legislation which need to remedied. There is a need to encourage the dichotomy between monitoring and evaluation and delivery of services.

- There is a definite need for some kind of employment impact statement to specify the employment consequences of federal budgetary decisions.

Recommendations

- With few exceptions, program development and design should be done at the state and local level. Program evaluation and monitoring should also be centered at these levels. Accountability for the performance should be assumed by elected officials at these levels.

- The actual delivery of the service should be contracted out and not located in the same office or entity which develops, designs, monitors or evaluates the program.

- Proposals for legislation and appropriation should be accompanied by an employment and training impact statement in order to permit proper planning and program implementation.

- A continued effort should be devoted to the discovery of ways separate programs developed by different jurisdictions operating in the same labor market could be linked together so as to get an area-wide planning focus.

- There should be a renewed emphasis on decentralization of the administration of federally-funded programs, while retaining at the federal level authority for determining the broad policy framework.

C. What Accounts for the Lack of Basic Manpower Policy Interest and Commitment on the Part of Governors?

This question was raised in one of the discussion sections, and it elicited only a meager response. No one seemed to have a definite answer. It was acknowledged that this was a genuine area of concern; many governors have not taken a very active role or interest in manpower policy. The fifty governors could carry a lot more clout in this arena than they have up to now. Some participants thought that a combination of rechanneling existing funds and augmenting the resources flowing to governors might improve the chances of increasing their involvement. It was suggested that the supplemental vocational education funds (5%) might be used by governors more effectively by redirecting it to the governors' discretionary (4%) programs.

The State Manpower Services Council (SMSC) is not functioning; it tends to be a pro forma organization, "funding rinky-dink projects out of 4% money." The idea of the SMSC was held to be basically sound, but it has not worked. Some recommended that it should be a vehicle for enunciating state policy in the manpower arena, and it should have real review, evaluation and coordination powers. There was dissent from this view as others inquired if we really wanted the SMSC to monitor. This was seen as inconsistent with the notion of decentralization.

Conclusions

- On the basis of recent findings of fact, governor's offices and SMSC's are not playing the role the farmers of CETA legislation intended.

- Consolidation of the 5% and 4% funds into a wholly discretionary pool would strengthen the planning and coordination roles of the governors and the SMSCs.

Recommendations

- The present grant of 5% in Title I CETA funds allocated to governors for vocational education should be eliminated, and the money used so as to augment the governor's discretionary funds.

- The Commission should recommend that governors be given a stronger role to facilitate comprehensive planning, coordination and service delivery be being given greater direct budgetary control over other programs, including, as possibilities, the Employment Services, Vocational Education, Vocational Rehabilitation, Adult Basic Education, etc. Also, an allocation formula for the distribution of ES funds to governors should be developed on the basis of population, unemployment, geography, and income levels in a similar fashion to the way in which CETA funds are allocated.

D. How Can We Attain Better Coordination and Integration of Manpower Programs and Services? What Changes in the Planning Cycles and Program Terminology are Necessary to Achieve Great Uniformity? What About the CETA - Employment Service Interface?

Discussion on this topic in the four groups ran the gamut from the lack of uniformity in data bases and planning cycles to the irrelevance of the SMSC's.

There was agreement that the various service delivery systems lacked coordination. It was stressed that CETA itself was not the cause of the lack of coordination. And there was some cynicism in evidence. One participant observed that the term "coordination" should never be used in legislation.

Discussants continually pointed out that delivery system irrationality made it impossible to coordinate. Many activities, like those of HEW, which impact on manpower should be integrated into an overall comprehensive plan. One problem singled out for Congressional attention was, in these diverse programs, the manpower planning cycle is not standardized. This administrative fiat was held to preclude coordination across programs. One example was that the Title XX year seems to start on January 1; trying to coordinate with other programs is thus impossible. CETA and ES have the same cycle; all others are different. It was generally felt the federal government should look for ways to provide positive incentives for coordination and cooperation. Too much emphasis has emerged on the negative side - building in ways to discourage disincentives.

1. The CETA - Employment Service Interface

The participants were very eager to discuss at length a particular set of linkage problems; namely, the relative roles of CETA and the United States Employment Service. The conferees offered a diversity of opinions and a wide range of recommended improvements in this area. One participant suggested that the complex issues should have a separate conference devoted just to them. Nevertheless, it may be instructive to record some of the conceptions and ideas which stimulated discussion - even though no clear consensus resulted.

In discussing the interface between these two major organizations, it was complained that there exists no explicit definition of what the relationships should be. Some claimed there was a "tremendous amount of duplication, varying from state-to-state in the delivery mechanism." There was strong sentiment from one faction to reaffirm the Employment Service as the presumptive deliverer in the placement arena. One knowledgeable spokesman presented the following data to buttress his position: The Employment Service had five million placements in 1975 with an average cost of about $80.00 - $100.00 per placement. CETA in turn had total placements of 115,000 at a cost of about $3,500.00 per placement. His conclusion was that there is scope for considerable budget savings in the placement function possible with a re-allocation of responsibility. Many objected to the comparison, arguing that there were differences in the type of placements involved. Many further argued that one should not separate training and employability development, counseling and placement functions.

There presently exists duplication of effort, overlapping functions, and dual counting of the same placement. Considerable debate centered around what to do about this. For instance, some participants liked the fact that there was competition and duplication between CETA and ES. This often helps the job-seeker, who thereby has options and placement alternatives.

The majority view was that there is a division of labor. Participants felt that the two systems are compatible, if CETA would concentrate on, by ETA targets and legislative definitions, employability development, replacing MDTA training as it was supposed to do. It should leave the basic placement function up to the Employment Service; this would provide a more efficient, coordinated, and less costly system.

Much of the discussion centered around the question, what should the interface between ES and CETA be. Three alternatives or basic approaches were debated without resolution:

- The possibility of a legislated marriage between Wayner-Peyser and CETA.

- Decentralize the Employment Service along the lines of CETA. Return Title II money to the States, specifically to the governors.

- Use existing legislation - both programs need to be strengthened; they each have their weaknesses. Provide more direction both from Congress and the ETA to make the two systems compatible.

The specifics of the discussion ranged widely, with lots of examples of horror stories. One participant for example, found that in some areas CETA has opened up (in one area in the same block) a duplicate employment service agency for placement. And he argued that is unconscionable. Others indicated that if in an area the Employment Service is not delivering and this can be documented, then it should be (and is) the prerogative of the prime sponsor to call on other service deliverers. Otherwise, the prime sponsor should use ES solely for placement, with the prime sponsor as the pipeline to feed the Employment Service. This procedure has additional advantages. It was pointed out that referrals should come through one agency; namely, the ES. The business sector has emphasized on numerous occasions that it prefers to deal with one placement service, not many. This would also avoid the frequent problem of two different manpower agencies reporting the same placement.

Another participant put the argument thus: "Local officials should be permitted to run the Public Employment Service in their jurisdictions within the rules the Public Employment Service is run, under the system." There would still be a central data collection unit with compatible data inputs. The Employment Service should also be concerned with the broader view - i.e., jobs in other geographical areas and mobility of people to those other areas.

In other words, provision should be made for the CETA prime sponsors to have the option to operate the free public employment service within the constraints of that system rather than establishing a competing local public employment service of their own. In this way, it was hoped to get a single deliery system in a given community, a system which deals with all manpower services, including the provision of placement opportunities.

It was emphasized that we now have an open-access system vs. a closed-access system (CETA) trying to reach special segments and target groups - the disadvantaged per se. The agency roles are segmented into job ready vs. the disadvantaged. Often these overlap. What is bad is dealing with the same person in two or three different agencies.

Conclusions

- Regarding CETA - ES, confusion exists as to whose responsibility is what. ES was seen to to encompass three general areas of respon-

sibility: (i) a viable labor market exchange free of charge - services to all who walk in the door, (ii) apply the work test for UI benefits and food stamps, and (iii) the development of labor market information. The interface with all other systems in manpower can definitely be improved.

- The two systems are compatible.

- We should explore one way of getting an integrated system; namely, to allow a local prime sponsor the option to take over the whole Employment Service activity in that jurisdiction within the state system.

Recommendations

- There should be a delineation of responsibilities so that different deliverers are not competing for same jobs and clients.

Dissent: It is too costly to maintain these different deliverers. The number must be reduced.

- The Job Service provides valuable services on a statewide basis such as data collection and job matching via job bank. Steps must be taken, however, at the local level to ensure that Job Service and CETA separate their client groups. Consideration should be given to permitting local government to operate the Job Service Office in that area within overall Job Service guidelines.

- ES should be responsible for the broader geographical view, concerned with jobs in other areas and mobility.

2. Coordination and Public Service Employment

There was an exploration in each group of ways to foster cooperation, intra- and inter- agency coordination and integration on parallel manpower projects. No agreement could be reached as to whether all programs ought to be put together under one authority. But there ought to be incentives to encourage agencies of government to come together on program design, coordination and integration. At present, for instance, there is no way for people in law enforcement to get together with people in the Employment and Training Administration.

Many participants were willing to go on record in support of a specific NCMP recommendation. Specifically, we now have one public service employment program under Title II and one under Title VI. It was urged that Congress fund them both under one title. PSE would have one title with different components, and different triggers involving two or three sections, not three different titles. There would not be separate funding.

The three sections would be comprised of: (i) intensive manpower development of the long-term disadvantaged to instill skills with a transition requirement (regardless of unemployment rate), (ii) a counter-cyclical component, triggered in and out, targeted to shelf-ready projects while recognizing non-transitional possiblities and (iii) a geographically targeted component, for people permanently unemployed with non-transition possibilities in their locale, but with opportunities to move to other regions.

Conclusions

- There is a need to coordinate Titles within CETA.

- The PSE programs are seen by some participants as a way to alleviate the financial problems of the beleaguered inner cities. Some stated that local governments should receive outright subsidies for public service employment, omitting rhetoric about the counter-cyclical nature of the program and requirements for maintenance of effort.

Recommendation

- Within CETA, all public service employment provisions be unified into a single three-tiered title providing for:

  - Technical manpower development, training and transition to competitive employment of the disadvantaged.

  - Counter-cyclical public service jobs, automatically triggered by changing unemployment rates and providing for appropriations directly tied to the level of unemployment, (i.e., rising appropriations when unemployment is rising; falling appropriations when unemployment is declining).

  - Public service jobs in depressed areas.

3. The Role of the Work Incentive Program (WIN)

Participants raised the question, what is the role of WIN? The answer some people favored was, WIN should be turned over to CETA since they are both dealing with the same clientele. An undercurrent of dissatisfaction with the delivery system was again expressed. One person interjected that, "We just want one plan of service that applies to the delivery of ETA services in a given area. Our goal should be one plan for one area." Others questioned what was mean by the term "area." It was suggested that one might experiment with the definition of area. There are at least three possibilities: (i) the prime sponsor delineation of 100,000 population or more, (ii) the labor market area, or (iii) the organization of Employment Service Districts as they are constituted in

different states. And, for that matter, nothing was seen as sacred about the 100,000 number. It was urged that different models be tried out to see which one or combination works best.

Conclusion

- There is the need to provide a set of incentives and to remove some existing disincentives affecting the actors in the human resources delivery system so as to encourage cooperation and to discourage competition between agencies. There was uniform agreement that inter-agency competition currently exists and that statutory or regulatory requirements discourage cooperation.

Recommendation

- There should be one plan of service for an area which would include ES, WIN, and CETA as a first step. The goal would be to move toward an overall human resources plan for that "area." The definition of area might differ from place-to-place.

4. Other Infrastructure Concerns

Many other observations on ways to improve the functioning of the infrastructure emerged from the four discussion groups. These touched upon standardization of planning cycles, inputs into the planning process, the introduction of a uniform data base, and miscellaneous changes in organizational structure not mentioned above. Many points of view received what appeared to be broad concensus among the participants, and without elaborating on the individual merits of each, the recommendations flowing from this dialogue are reported below in summary fashion.

Recommendations

- Planning cycles for all manpower programs need to be standardized. The federal government should provide forward funding or multiple year funding for states and local governments operating manpower programs. They should also furnish information on the level of funding far enough in advance to allow for good planning. All manpower program funding should be based on formulas which would provide more specificity on funding at an earlier date.

- Funding of the Employment Service should be based on a needs based formula.

- Vocational education should not be moved from the Office of Education to the Department of Labor.

- The Commission has expressly cited the lack of uniformity in the data basis required by federal human resource agencies. Congress

should require all human resource agencies to use uniform data bases and planning cycles.

- All elements of a manpower effort in a local community should be subject to the open, democratic, planning process such as CETA prime sponsors utilize. Some local body should make input on the use of monies in that community to counteract unemployment whether those monies come from DOL, HEW, Department of Commerce, or any other federal department or agency. Also, some decisions of the employment service, such as location of offices, should be subjected to this process.

- Steps should be taken to integrate the Dictionary of Occupational Titles code and Office of Education codes into one system for classifying occupations.

- The requirement that all trainees in a CETA funded facility be under full CETA support be set aside to permit the enrollment of an individual not eligible under CETA criteria, provided that the individual is willing and able to furnish his/her own support and provided that space is available in the class, the prime sponsor concurs in the enrollment and there is no negative impact on provision of services to enrollees receiving CETA support.

- A determination should be made of those areas where the administrative and legislative structure permits cooperation and delvelop inter-agency projects and grants in these areas. Where administrative and legislative lines are conflicting, such grant administration is made virtually impossible. Ways should be found to facilitate the development and integration of intra-agency and inter-agency cooperation on parallel projects. New incentives should be formed to encourage such cooperation.

## Concluding Comments

This was the concluding section of a productive conference. Given that there are many uncertainies about the interrelations between the economy and manpower, the participants nevertheless made salient recommendations to improve the design and implementation of manpower programs. The conferees are to be congratulated for their efforts to deal with the challenging problems faced by manpower policy-makers.

## IV. SUMMARY OF BACKGROUND PAPERS

The special concern of this conference was to be Manpower Programs and Services; The Infrastructure. Three professionals with rich program experience were asked to provide a critical analysis of this subject . Later, a fourth paper dealing with energy and manpower was added. Each paper is a major contribution to the literature and will be publishied in a separate document. A brief summary of each follows. Only the major recommendations can be included in this short preliminary report.

A. Eunice Elton, Director, Mayor's Office of Employment and Training, San Francisco wrote on The Infrastructure From the Local Perspective.

For each of the three main objectives of CETA, Ms. Elton concludes the present level of accomplishment is low:

-Decentralization with its emphasis on local decision-making is only partial as state and federal discretionary money gets used independently.

-Decategorization is frustrated by a continuation of categorical programs imposed from outside without any consideration of the fit with local priorities. Many other programs such as WIN and Trade adjustment with a previous training role have shifted clients but not resources as additional claimants.

-Coordination requires the fusing of four major worlds at the local level -- education, rehabilitation services, public employment service and the federal establishment -- if the promise of a more efficient delivery network is to be realized. The differences in the planning cycles, statistical reporting and financial control systems of these four are formidable. The heart of the problem, though, is the stark fact that for these systems (except local education, in part) the decision-making authority is not local.

Life at the bottom of a complex bureaucracy is never simple. Ms. Elton documents some of the more frustrating aspects:

1. The sea of paper -- 28 major modifications in 26 months -- each requiring extensive documentation and planning.

2. The planning cycle has broken down repeatedly with the more bizarre examples involving arrival of instructions after deadlines for submittal had passed.

3. National guidelines "work against the development of innovative programs of service to welfare recipients, ex-offenders, drug abusers or other hard-to-serve groups."

In the name of efficiency, Ms. Elton documents the case for multi-year funding. This is a major recommendation that should receive priority consideration by the Commission.

Another theme running through many of the sixteen other recommendations is an appeal to the Commission to take the leadership in bringing into being a national manpower policy that will in fact harness the disparate parts of the federal apparatus into a unified system. Manpower impact analysis as a required part of any major decision by a government agency is suggested as a device that could insure this result.

B. Philip Rutledge, Director, Income Security Policy Studies, National League of Cities & U.S. Conference of Majors delivered a paper on: Income Security at the Local Level; Cross-Linkage Between Employment, Training and Transfer Programs.

The theme of Mr. Rutledge's paper was that employment, social insurance and income support programs should be integrated into a single system; at least, conceptually and hopefully programmatically. Such a system would have these goals:

"A job for all persons willing, able and seeking to work, accomplished mainly in the private sector, but also through private and public partnerships which create additional jobs.

"Social insurance or wage replacement for those with labor force attachment or those who are temporarily disabled, dislocated or retired."

"Income support for those for whom work is inappropriate or unavailable."

The priority in this system would be jobs but it is argued the other components are needed since each "influences and interacts with the other; the success of the total strategy is dependent on abandoning the practice of dealing with each separately." The guiding principles of such a system suggested by Mr. Rutledge are these:

"The level of income provided must be adequate, equitable and based on a federal floor. There should be no differentiation with regard to family status or where one happens to live. Each segment of the population must be treated equally.

"Most benefits should be in cash and not in kind. This reinforces the principle just stated. If benefit levels are not adequate, there is a tendency to provide other categorical supplements to compensate for the inadequacy.

"Criteria for program eligibility and benefits should be simple, objective, and clearly stated to achieve equal treatment of those with comparable needs. Judgmental decisions about the living circumstances of recipients should be eliminated by the simplified system. The administration of the program and the opportunity for administrative error would be reduced considerably under a nationally standardized system.

"The federal government should administer those portions of the program which are uniform on a state-by-state basis. There should be an optional residual state roll which allows for supplementation by the state to meet extraordinary needs, to account for regional dfferences or to meet

special needs. The federal government should not attempt to meet all needs from a centralized level.

"Subsidized employment provided through local systems must complement the income support system. The linkages between the payments, the social and other supportive services, and the employment systems must be carefully designed to insure that there is the maximum degree of local responsiveness.

"The use of the internal revenue code as an income redistribution system and employment development system through expanded use of tax expenditures should be further explored. Elements of this approach already exist through the tax credit for working persons with low incomes and the newly enacted child care tax credit."

Three recommendations seem implicit in this discussion.

First, as did the Elton paper, Rutledge decries the compartmentalization of federal government planning and action. "We operate as if each department or federal agency acted alone in its influence on the labor market."

Second, Rutledge calls for a "strengthened capability for full employment planning at the local level." More flexibility, not less, is needed if localities are to discover how to be effective in helping those "with minimal skills -- to the Black youth, to the single parent with dependent children, or the unemployed welfare recipient."

Third, and this would be a monumental challenge to the Commission, begin the task of designing an integrated employment and income support system, and then with support from all those agencies, congressional committees and constituencies that are presently tied wholly to one of the present parts.

C. Robert McPherson, Director, King-Snohomish Manpower Consortium, Seattle, Washington, wrote on CETA - The Basic Assumptions and Future Prospects.

The focus of this study is on the intergovernmental relations. The conclusion starkly drawn and amply supported is that "the operational framework for (the) intergovernmental relationship under CETA remained and continues to remain unresolved."

McPherson argues the actual pattern of federalism is a function of the system used to shift money to state and local governments.

1. A grant in aid system (categorical) fits the existing organizational structure of the federal government, both executive and congress, and so can be used readily to pursue specific national policy and program objectives. The infrastructure at the state and local level could be quickly adapted or created to provide the local delivery. A constituency from top to bottom along functional lines emerged. Manpower was a prime example of this pattern.

2. The Block Grant system was an attempt to shift decision-making to the state and local level by consolidating related programs so as to permit flexibility in the specific aspects of program design. But the un-

spoken assumption was that power went from the central government to others in the chain.

3. General and Special Revenue Sharing aimed at a more complete decategorization and a nearly final decentralization or authority. CETA was the first product of the push to special revenue sharing (or modified block grant.)

McPherson notes that only Title I of CETA survived as a modified block grant while over half of the funds, even before Title VI, remained in the categorical grant-in-aid pattern. But he goes on to say that while congress and the national bureaucracy had given state and local governments some decision-making power,the result was ephemeral.

"Almost without a pause, they immediately began actions to effectively reverse that decision and regain the power they had just given up. CETA was not being singled out for discrimination; it was simply being subjected to a common practice observed throughout intergovernmental relations. Under whatever heading one cares to choose, be it "carrying out the provisions of the Act," "meeting national goals, priorities and standards," "protecting the prime sponsors," or "in order to meet the informational needs of the Congress," the erosion of block grant flexibility under CETA was inevitable."

McPherson's conclusion that the categorical approach is inevitable cannot be summarized without losing the clarity and internal logic of his argument. Therefore, here are his concluding observations:

"1. The institutional arrangements in the American version of pluralistic democracy prevent wholesale acceptance and rapid implementation of sound reform ideas proposed by well-intentioned academics and public adminstrators. Short-run opportunities for change are available only to the extent that they are within the established institutional rigidities of the existing intergovernmental system.

"2. In reality, the existing intergovernmental infrastructure -- the roles and relationships of the partners in the federal system -- are a function of the pattern for providing federal financial assistance to state and local governments. Currently, those relationships are predominantly influenced by the categorical grants-in-aid approach. From an institutional perspective there is a sound basis for expecting a continuation of this basic approach and its accompanying relationships. The categorical approach is the only realistic expectation one can have for political action. People, as well as their governments, are incapable of comprehending the whole fabric of society, and therefore must resolve themselves to identifying the problems, and proposing solutions in a categorical, piecemeal fashion.

"3. The institutional constraints of modern federalism do present the opportunity for development and experimentation with a block grant approach. However, these opportunities will be limited to a few well-defined functional areas, and they will share a

minimum of powers and flexibility with state and local governments. If CETA is a specific case from which one can generalize, there will be an immediate "reaction attempting to withdraw flexibility previously given. The realities must be recognized -- block grants and general sharing represent major threats to the Congress and to the national bureaucrats. Power and control are not readily given away.

"4. Recognition of these realities of the political and institutional arrangements will facilitate better direction of professional time and resources. Legislative proposals advocating broad block grants across Congressional jurisdictional boundaries will never be reported out of Committee. The current system does not work that way, and Congress is not likely to reorganize itself in the near future. Administrative efforts to promote comprehensive planning and inter-agency coordination," (a favorite pastime for many public employees) between and among programs funded through separate federal agencies are largely wasted. Effective program consolidation cannot be accomplished with administrative "memorandum of understanding."

"5. Without a well directed and concentrated effort by state and local governments, the remaining flexibility under CETA -- either through legislation or by administrative directive -- will be re-categorized and centralized. The modern federalism concept of shared functions will remain, but roles and relationships in the intergovernmental system will revert to the categorical pattern. Policy and program decisions will be responsible for local program administration and delivery."

The Commission may want to consider further investigation of these findings The hypothesis of inevitability needs to be tested in the light of alternative models of management organization and control. The large private corporation, particularly the conglomerates and the mult-nationals might offer some models worth exploring for their adaptability to the intergovernmental enterprise.

D. Robert Brown, Regional Administrator, Employment and Training Administration, U.S. Department of Labor, Region VIII, delivered a paper on: Energy-Employment: The Critical Dependency in the U.S. Economy.

Mr. Brown speaking from the perspective of a region where most of our underdeveloped energy resources are provided a definitive treatment of the potential and the direct manpower consequences that will accompany this development. His major finding is that while rhetoric abounds the federal government has made no progress in dealing substantively with the issues during the past four years. Believing the need for action is long overdue Mr. Brown is appealing for action now before the future overwhelms us. The consequences of another oil blockade are reviewed and the evidence points to even greater disruptions the next time around.

But development of energy in the Rocky Mountain states on the scale and the speed that now seems likely will simply overwhelm the area's small labor

force of 2.7 million, require a community infrastructure from housing to schools which does not now exist, is likely to destroy the existing social and political system.

Brown develops in some detail the labor market research that is needed and the efforts of the Regional Office to use research to explore the policy parameters for such questions as:

1. The carryover transition from the "construction" to the operational phase in terms of salary structure, retraining, community infrastructure and the unique characteristics of the region.

2. The spill over effects on other industries -- wage levels, productivity, recruitment and turnover.

3. The role of non-market conditions in modifying or accentuating the degree to which the wage variable carries the full load of the adjustment process that will accompany energy development.

Finally, Brown builds a strong case for the development of an input-output model at the national level so that the employment consequences of another oil embargo could be determined in advance and contingency strategies devised. He leaves the impression, however, that the federal government is unlikely to take this step because it would require a major commitment of resources and time.

His recommendation, therefore, is that the Commission take the leadership role. A first step could be the convening of a group of modeling experts to explore the feasibility and timing. Such a group perhaps with a continuing connection to the Commission might continue to exercise a role as critic and professional overseer to the project.

# V. SUMMARY OF CONFERENCE SPEECHES

## A. The Interface of National Manpower and Economic Policy
### Dr. Carolyn Shaw Bell

Professor Bell, Katharine Coman Professor of Economics, Wellesley College, in what one questioner described as a "dazzling presentation," provided a capstone to the conference. This speech, which follows in this appendix, deserves to be read in its entirety. The main themes emerging from Professor Bell's analysis can be stated without embellishment:

1. The so-called tradeoff between employment and inflation so widely accepted by makers is:

   a. not accepted by the people at large who refuse to believe such an either/or choice is realistic;

   b. wrong-headed economics resting on a presumed sequence of linkages full of uncertainties at every point in the chain and;

   c. failing to work.

2. The addition of manpower policy brings with it the potential for altering the presumed internal linkages in ways that permit us to have both full employment and stable prices. (Exogenous factors such as oil blockade are not incorporated in this model.) Manpower policy can:

   a. Forestall the presumed cost increases of adding workers as demand increases by training such standby supplies to a level of competence that preserves and maybe increases productivity.

   b. Anticipate future pressures on labor supply so that employer costs for search and training of new workers can be kept under control.

   c. An inventory of the skills and experience available in the labor supply could give us the clues we need to add to this potential in ways the labor demand is moving.

   d. Just as we strive to encourage employers to add to our physical capital through tax incentives so it would be legitimate and a contribution to future output to provide incentives to employers to invest in human capital by hiring and training the presently unemployed.

3. The present effort by some to substitute a so-called "natural rate of unemployment" for what was once called frictional must be stopped before we are conditioned to believe there is something inherently desirable about present levels of unemployment. It permits a ready dismissal of the high rates of unemployment of youth, blacks and women as somehow needed for a healthy econ-

omy. As Dr. Bell concludes, "manpower policies and programs can knock the argument about a 'natural' rate of unemployment into little pieces."

4. The present practice of describing the unemployed in demographic categories leads us astray. By viewing them as people who are unemployed, policy makers can focus on the things that can be changed, such as skills, experience, training, productivity, and not on those meaningless descriptors that cannot be changed: age, sex, and race.

5. By shifting from "manpower" to human resource development, the promise for manpower policy is its extension into social policy at three points:

   a. when the work role may be reduced through shorter hours and the need for human development in other directions correspondingly increased;

   b. when the potential for changing the job or the work system so as to fit people is there, assuming we have the imagination to innovate;

   c. when the unresolved problem of income maintenance for those who need it requires a reappraisal of how well work serves as an income maintenance system for all.

## B. Manpower Problems of Youth

Honorable Joseph P. Montoya

The Full Employment Act of 1946 was a complete failure. Raising productivity in advanced industrial societies requires new forms of cooperation. We see that in rural areas there is that cooperation because of a definite need to cooperate. In urban areas there seems to be the attitude of "Doing-their-own-thing", which as a consequence lessens the tendancy for the cooperation required to accomplish the things which need to be done.

Today we find a scarcity of resources and new dollars; therefore, we need to reemphasize things we clearly want to do. We have to make a decision as to what is not essential.

### GOALS FOR YOUTH

We must offer, before graduation, the opportunity for each person attending our secondary schools to develop a marketable skill. We are now just beginning to realize what it will take to implement this goal--when the reality is, we are still in the midst of providing opportunity to young people, seeking to tie them to a labor market which has already assumed responsibility of employing more women and senior citizens.

We are asking quite a lot of our business community. It is discouraging to note that a lack of minority employment continues, and that the rate of unemployment among Black youths and other minorities has doubled in the past two years and is still double the rate of mainstream American children.

The appalling fact is how little we seem to understand about the mechanisms necessary to implement the goals alluded to above. Any Manpower program is going to be inherently working from the institution down to the individual. The internal dynamics of that institution, which converges on the individual, are crucial to any manpower program involving youth. The clientele is served by the business community, public school districts, regional occupational programs and centers as well as private schools, three distinct state agencies and two advisory groups, etc.. Just harnessing the actors understanding, how they work and determining how they can best work together consume half of our time and energy as well as a great amount of expense. In California we have opted to bring these segments together in Regional Councils for Adult and Vocational Education. We are now finding that many of the councils have discovered that many of the words written into laws developed over the past twenty-five years, are simply that: words.

Taking inventory of what is available in a community-(something which has been inherent in manpower planning), as a requirement is just recently underway. Manpower information-weighing the supply and demand of given opportunities and jobs is un-systemized. We must therefore focus on what can be made available to youth. In the area of manpower, it

is unbelievable how little information, cooperation and coordination there has been in the schools. There must be continuous re-evaluation and re-emphasis on what is necessary. Also, we must unplug some of the programs that have become obsolete and dysfunctional.

With the billions being spent on education in California, there must be provision for linkages to manpower programs. Kids know full well that whatever they are currently learning in school is not going to provide them with the opportunity for a job when they graduate.

Increasing numbers of people are going back to school so that they can brush up on their skills; therefore, educational dollars must be tied to job opportunities.

Regional Councils have made provisions for all of the component parts to work together. They have made provisions for the secondary schools, community colleges, CETA, and EDD to play advisory roles. CETA must work with the Advisory Councils so that there can be a coordination of effort rather than duplication.

# VI. DISCUSSION QUESTIONS AND THEMES

## A. A NATIONAL MANPOWER POLICY FRAMEWORK

### Sub-Themes

(i) The implications and inter-relationships with state and regional policies, goals and objectives.

(ii) The implications and inter-relationships with local policies, goals and objectives.

(iii) Income maintenance programs and their linkages with employment and training programs. Income transfer alternatives.

### Discussion Questions

1. To what extent should a national manpower policy and goals be a national priority relative to other national policies such as growth and price stability?

2. What is meant by "full employment" in our economic system? What should full employment mean as a goal of national manpower policy?

3. What must be sacrificed in order to get full employment? What institutional barriers to this goal exist? What types of programs are you willing to put in place to get full employment?

4. What are the considerations or necessary preconditions before government resorts to public job creation to help assure full employment?

5. What are the problems with our statistics as a measure of labor market hardships? What improvements do you suggest?

6. What are the possible specific roles of the private enterprise sector, organized labor, special interest groups and other organizations in the formulation and implementation of a national manpower policy?

7. Should the government take on the responsibility of maximizing employment opportunities or guaranteeing jobs as a matter of right? What are your reactions to full employment legislative proposals?

8. How can initiatives such as training, public service employment, accelerated public works programs, tax incentives, etc., be coordinated and implemented to achieve the full employment goal?

9. What should be the relationship between manpower and income maintenance programs? Should some of the resources presently expended for passive income maintenance be utilized for manpower and employment programs?

10. Should manpower and income maintenance funds be used as complements and if so, how?

11. Under what circumstances, using what criteria should manpower services be provided rather than just providing income transfers?

12. What should be done to expand the manpower role of the Unemployment insurance system?

13. How should we go about setting objectives and establishing accountability for various kinds of intergovernmental transfers?

14. What alternatives are available to better balance the goal of income maintenance and the potential disincentives to work that may accompany that provide more than a subsistence income level?

## B. MANPOWER PROGRAMS AND SERVICES - STRENGTHENING THE INFRASTRUCTURE

### Sub-themes

(i) CETA Assumptions
(ii) Intergovernmental Aspects; Role of Regional Offices
(iii) Program Design
(iv) Manpower and Energy Needs

### Discussion Questions

1. What do you think a comprehensive manpower policy should look like? If there were no institutional constraints or Congressional pressures, what kind of a program would you put together? How would you implement?

2. What will be the special manpower requirements implied in

policy to develop the energy industry?

3. Given the future energy needs of our country, what are the programmatic choices?

4. Where are the specific labor shortages likely to occur under an accelerated domestic energy supply policy? Should there be a national manpower effort to meet the training needs implied?

5. Are the concepts of decentralization and decategorization proving valid? What problems and weaknesses exist?

6. If the manpower delivery system is based on decentralized decision making, will national objectives be achieved? How is Federal oversight working in practice?

7. Has the move to decentralization and decategorization of employment and training programs reduced the clout or leverage of minority groups in both providing policy inputs or receiving the desired (or fair share of) benefits?

8. Has revenue sharing been a good idea, apart from the vehicle (CETA) that has been chosen for the implementation in the manpower arena?

9. In order to attain better coordination and integration of manpower programs and services, what changes in the planning cycles and program terminology are necessary to achieve greater uniformity? How should these develop?

10. Who should decide who is to be served in the manpower system and how should this decision be made?

C. THE MANPOWER PROBLEMS OF YOUTH AND POSSIBLE RESPONSES: THE TRANSITION FROM SCHOOL TO WORK.

Sub-themes

(i) Factors which contribute to youth employment difficulties; Federal role

(ii) Experience with youth training and work experience; vocational education and apprenticeships, labor market experience of youth

(iii) Private employers' role

(iv) Community-youth interactions and policy implications-the transition phase

Discussion Questions

1. What is the nature of the youth employment problem in this country? Do different groups of youth have different problems hence different approaches? Should it have priority in program funding?

2. Is youth unemployment comparable to adult unemployment and to what extent?

3. What is the nature of the gap between education and work and is it widening?

4. What are the implications of the growth of youth employment in part-time or "secondary" jobs?

5. What are the principal factors which contribute to youth employment difficulties?

6. What effect does the high school curriculum have on labor market experience?

7. What has been the value of vocational training in the high schools?

8. What has been the value of other formal training for youth-public and private?

9. What has been the value of apprenticeship to youth 16-21 in general and minority youth 16-21 in particular?

10. How well have current and past federal programs and policies addressed the problems associated with obtaining skills competencies? What goals have been realized?

11. What have been the experiences with, and what are the future prospects for, cooperative work experience projects between schools, employers, trade unions, employment services, etc.?

12. What are the prospects for, merit of and obstacles to new forms of or expansion of:

    -federal youth training and work experience programs

    -apprenticeship opportunities for youth in general and minority youth in particular

13. Where are these skills best learned--on the job, in school, work experience arrangements, other?

14. What types of jobs are available to youth-how many are dead-end jobs, how many are upwardly mobile or career ladder employments in internal labor markets?

15. What employer practices have acted as barriers to youth employment?

16. Are the contributions youth have to make adequate to meet employer needs?

17. What are the employers doing to assist youth in performing well on the job (through Supervision, etc.); what more can be done?

18. What has been the effect of minimum wage laws on the labor market experience of youth? What changes, if any in such laws are desirable to improve the labor market attractiveness of youth?

19. What are the roles of guidance, counseling and placement services in the school to work transition process; how adequate are these services?

20. What is needed in terms of the quantity and quality of guidance, counseling and placement services?

21. What should be the role of the Employment Service in providing information and services to schools and youth?

22. To what extent can successful local programs be replicated elsewhere?

23. What should be the emphasis of local programs in terms of both services and priority groups?

24. What are the desirable features of youth participation in public job creation programs?

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## REPORTS OF THE NATIONAL COMMISSION FOR MANPOWER POLICY

- An Interim Report to the Congress of the National Commission for Manpower Policy: *The Challenge of Rising Unemployment,* Report No. 1, February 1975.
- An interim Report to the Congress of the National Commission for Manpower Policy: *Public Service Employment and Other Responses to Continuing Unemployment,* Report No. 2, June 1975.
- First Annual Report to the President and the Congress of the National Commission for Manpower Policy: *Toward a National Manpower Policy,* Report No. 3, October 1975.
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- *Proceedings of a Conference on Public Service Employment,* Special Report No. 1, May 1975.
- *Manpower Program Coordination,* Special Report No. 2, October 1975.
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- *Proceedings of a Conference on the Role of the Business Sector in Manpower Policy,* Special Report No. 4, November 1975.
- *Proceedings of a Conference on Employment Problems of Low Income Groups,* Special Report No. 5, February 1976.
- *Proceedings of a Conference on Labor's Views on Manpower Policy,* Special Report No. 6, February 1976.
- *Current Issues in the Relationship Between Manpower Policy and Research,* Special Report No. 7, March 1976.
- *The Quest for a National Manpower Policy Framework,* Special Report No. 8, April 1976.
- *The Economic Position of Black Americans: 1976,* Special Report No. 9, July 1976.
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- *Employment Impacts of Health Policy Developments,* Special Report No. 11, October 1976.
- *Demographic Trends and Full Employment,* Special Report No. 12, December 1976.
- *Directions for a National Manpower Policy: A Report on the Proceedings of Three Regional Conferences,* Special Report No. 13, December 1976.
- *Directions for a National Manpower Policy: A Collection of Policy Papers Prepared for Three Regional Conferences,* Special Report No. 14, December 1976.

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## OTHER PUBLICATIONS PREPARED FOR THE NATIONAL COMMISSION FOR MANPOWER POLICY

which may be obtained from the publishers
at the addresses indicated below:

- *From School to Work: Improving the Transition,* Superintendent of Documents, U.S. Government Printing Office, Washington, D. C. 20402, August 1976. Stock No. 040-000-00364-9. Price $3.00.
- *Employability, Employment and Income: A Reassessment of Manpower Policy,* Olympus Publishing Company, Salt Lake City, Utah 84105, September 1976.
- *Jobs for Americans:* Prentice Hall, Inc. Englewood Cliffs, New Jersey 07632, October 1976.